

Railway Age

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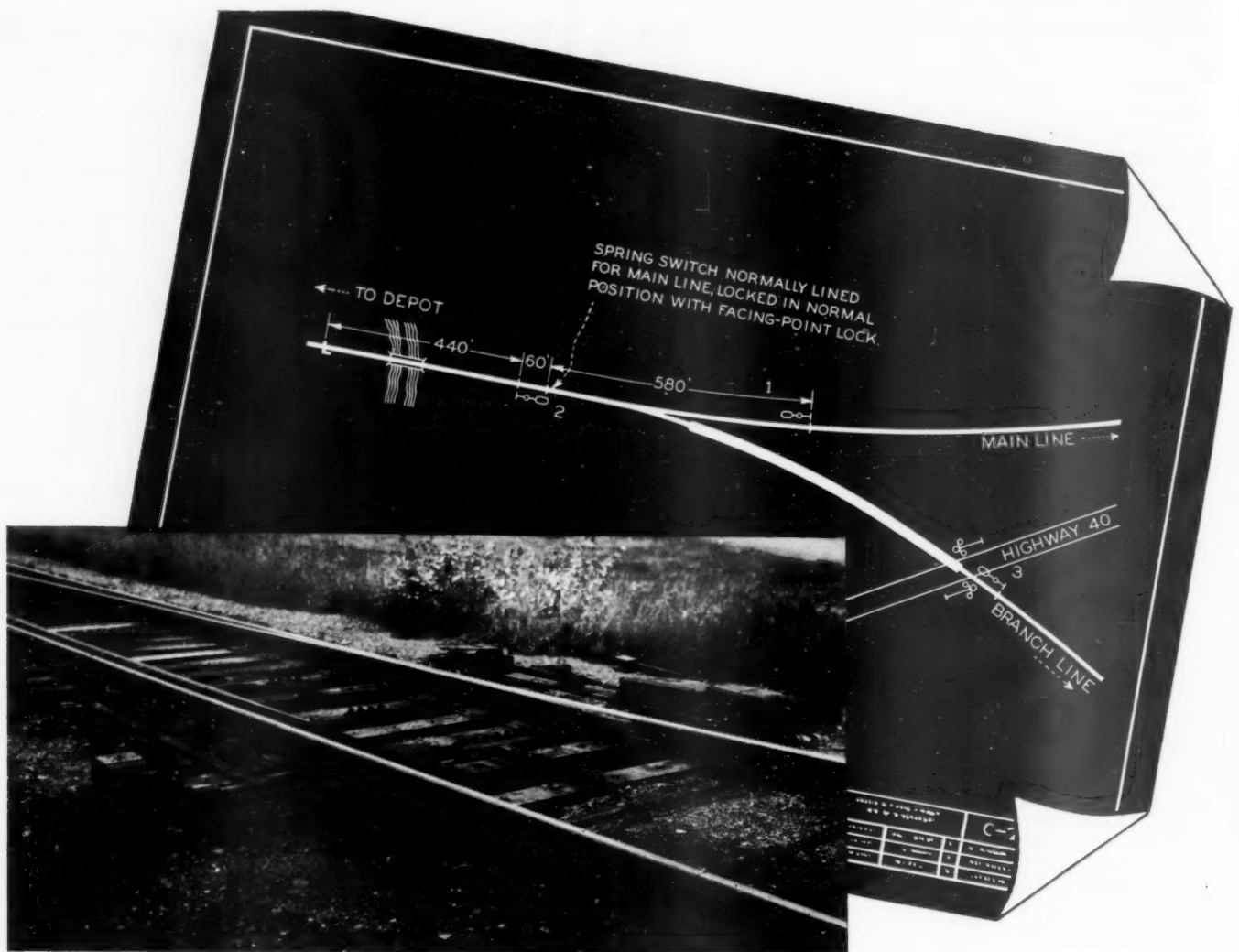
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RAILWAY AGE

Have Employees Any Interest In Railway Net Earnings?

A little more study by the leaders of the railway labor organizations of the conditions which actually affect the welfare of railway employees should bring about a revolutionary change in the policies of these organizations. It is, of course, easier to accept from self-seeking politicians such dogmas as "high wages increase purchasing power" than it is to burn the midnight oil and find out whether that contention is true or not.

Nevertheless, not all railway employees are taken in by such dogmas, especially when they see advances in wages to the highest level in history swiftly followed by such a decline of railway employment as has recently occurred. The result of such developments is bound, in course of time, to be either that the railway labor leaders will cease preaching such obvious twaddle or that their membership will awaken to the fact that they are following blind leaders toward destruction of railway employment, and cast about for more alert successors for them.

Two advances in railway wages were made last year—the first on August 1 to all employees excepting those in train and engine service, and the second on October 1 to those in train service. In July, 1937, the Class I railroads (excluding switching and terminal companies) had 1,174,434 employees—the largest number since October, 1931. In April, 1938, the number had declined by 261,364 to only 913,070. This was 6,811 less than the number of employees in March, 1933, the previous low record in any month of the depression, and was, in fact, the smallest number of employees reported at any time within forty years, or since 1898.

Why 261,000 Have Lost Their Jobs

The terrific decline of employment that has occurred has been due principally, of course, to the decline of general business and traffic. But the evidence that it has also been largely due to the advances in wages is conclusive. Gross earnings in April, 1933, were only \$173,300,000 as compared with \$219,543,000 in April, 1938, but in April, 1938, the number of employees was smaller than in April, 1933, because the railways could not pay the higher wages of April, 1938, to as many employees as they had in April, 1933. It has been the effect of higher wages upon *net operating income* that has reduced employment in 1938 below the level it reached even in 1933. In the first quarter of 1938, the railways earned very much less net operating income than in any previous quarter of the depression;

and they made unprecedented reductions in employment in a desperate effort to save themselves from general bankruptcy.

They had to reduce the number of employees more than ever before in order, as far as practicable, to offset the effect of the highest wages in history on their operating expenses. In April, in spite of the reduction of employees, their net operating income was only \$9,234,000 as compared with more than \$19,000,000 in April, 1933. The inevitable result of continuance of net operating income at an unprecedentedly low level will be continuance of reduction of the number of employees. In other words, reduction of employment can be stopped only by either an increase of gross earnings, or a reduction of wages, or both. The 261,364 employees who have lost their jobs since last July must be beginning to have some misgivings as to whether their union leaders are following policies that are promoting their welfare.

Why Not Union Policies to Benefit All Employees?

The development of policies which will actually advance the welfare of *all* members of a railway labor organization should be, it would seem, the most serious concern of union leadership. What is the use of using labor's vast political and economic power for the pursuit of an objective when the results show the objective is not attained? We do not blame the railway labor leaders for not taking our word, untested by their own analysis, as to what is good and what is not good for their membership. But the union leaders do not have to be warned against taking the advice of anyone inclined to be critical of them. Where they make their mistakes is in following the economic counsel of every politician who has proved his "friendship" by voting the way they ask him to—as if the "yes man" quality gives its possessor peculiar wisdom.

Some of our readers may hold the opinion that the union leaders are not concerned with basing their policies on facts, and that it is a waste of time ever to expect them to do so. We invite the attention of those who hold this view to the support the railway unions have given to measures to protect railway traffic volume. Such support is a relatively recent development. It was not many years ago when even so enlightened a union executive as D. B. Robertson was contending that the organizations should not support legislation calculated to promote railway traffic, unless the railroads would pay for such support by concessions

in wages and working conditions. But the union executives learned that their members had an interest in maintaining railway gross revenues quite apart from any concessions whatsoever by railway managements. It is our belief that, as the railway labor executives have learned that their members have a vital interest in protecting railway gross revenues, it is not too much to hope that, eventually, they may also learn that employees have an interest in protecting railway net revenues. And when and if they learn that fact, and begin to act upon it, a long advance will soon be made toward solution of the "railway problem."

Railway Employment and Net Operating Income

Nor does the mastery of these facts depend upon the good will and the intellectual energy of the leaders of the railway labor organizations either. They will act in accordance with the insistent demand of their members in any event. And if railway employees learn that they have an interest in railway *net* earnings, to the extent that practically all of them already recognize the dependence of their welfare on the volume of traffic—then railway union policies will begin to take that fact into consideration, whatever the personal prejudices of the leaders may be.

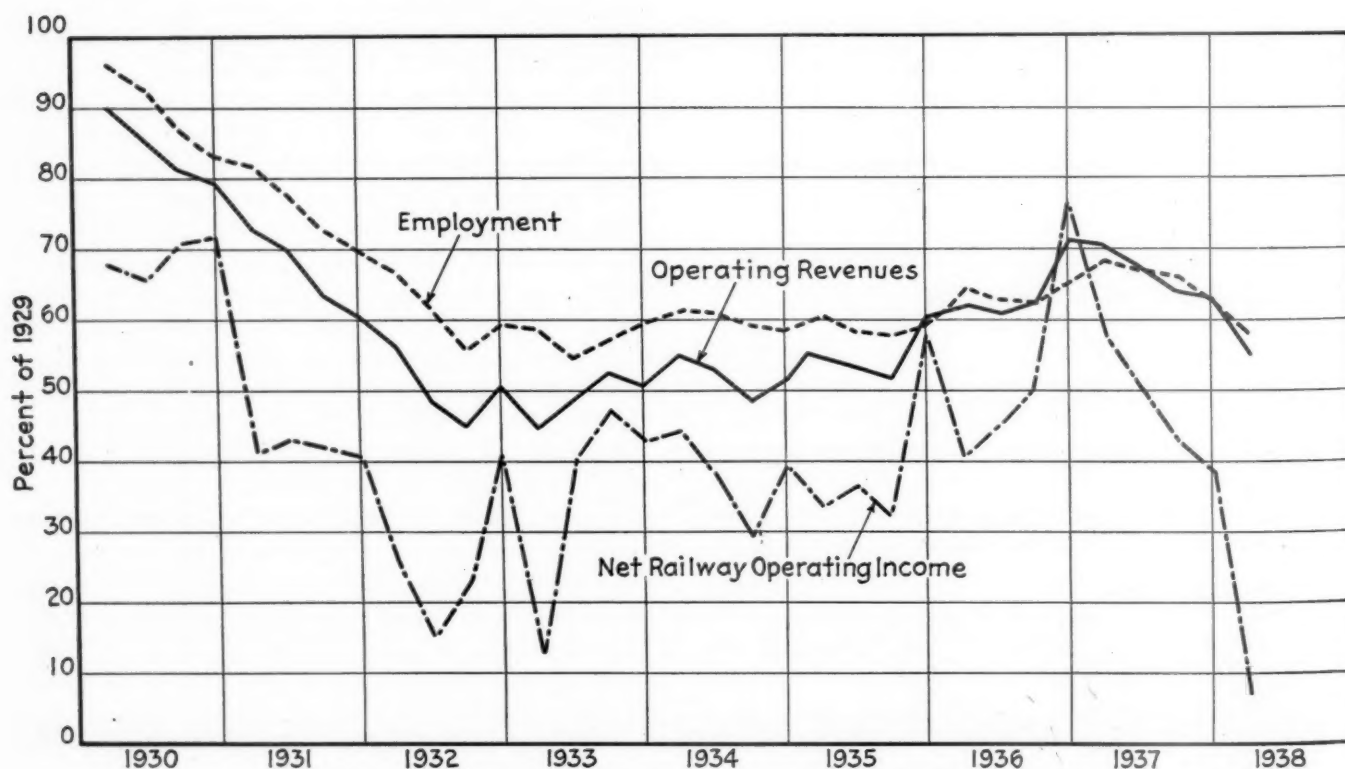
Bearing upon the concern of railway employees with railway net operating income, the accompanying chart and table will, we believe, be enlightening. In them railway gross revenues, net railway operating income and average number of employees are shown by quarters from 1930 to date in percentages of the same quarters of 1929. It will be noted that up to the end of 1935 the percentage decline in employment closely paral-

leled (and was less than) the percentage decline in gross revenues. This relationship between gross earnings and employment is one which practically every railway employee now recognizes. It will be observed from the chart, however, that when gross revenues advanced in 1936 and 1937, employment did not advance in the same ratio, and that since 1935 the employment line on the chart has been below the gross revenue curve as much as it has been above it. What is the reason for this change in the relationship between employment and gross revenues from that which existed continuously from 1930 down to the end of 1935? Is it not evident that the failure of net railway operating income to recover as fully in 1936 and 1937 as did gross revenues acted as a strong damper on re-employment of furloughed men?

Must Restore Railway Credit to Restore Railway Employment

There may have been other factors—such, for instance, as high wage rates, which discouraged the railroads from calling men back to work in the same ratio as traffic increased during 1936 and 1937. Yet the failure of net railway operating income to recover proportionately unquestionably was a material factor in holding back the revival in employment to the extent which might otherwise have been expected. And it is certain that the unprecedented decline of net operating income since the wage advances were made last year caused railway employment to reach in April its lowest reported level of the depression thus far.

A very little reflection will serve to show why this conclusion is inescapable, viz: Traffic improves, and



How Low Net Operating Income Has Affected Employment Adversely Since 1935
Employment, Operating Revenues and Net Railway Operating Income in Percentages of Corresponding Quarters of 1929

consequently some men directly tied in handling trains and in maintenance work have to be called back to work to move the business. But net railway operating income does not improve proportionately—and hence railway credit is not restored to the extent that new capital is attracted into investment for additions and betterments. And so employment does not become as great on the railroads when business expands as it

Railway Revenues, Income and Employment Percentages of Corresponding Quarter of 1929

		Gross Revenues	Net Ry. Oper. Income	No. of Employees Middle of Quarter
1930—1st Quarter	.....	90.0	68.0	96.1
2nd	"	85.7	66.0	93.4
3rd	"	81.2	70.9	86.1
4th	"	79.8	71.9	82.9
1931—1st Quarter	.....	72.9	41.7	82.0
2nd	"	70.0	43.4	78.0
3rd	"	63.8	42.1	73.2
4th	"	60.6	40.9	70.0
1932—1st Quarter	.....	56.2	25.7	67.0
2nd	"	48.5	14.9	62.1
3rd	"	44.6	22.4	55.7
4th	"	50.6	41.8	59.3
1933—1st Quarter	.....	44.9	13.3	58.6
2nd	"	48.4	40.0	54.7
3rd	"	52.2	47.4	57.6
4th	"	51.1	43.2	59.3
1934—1st Quarter	.....	54.6	44.2	61.0
2nd	"	53.0	38.4	60.9
3rd	"	49.3	29.9	58.7
4th	"	51.7	39.4	58.2
1935—1st Quarter	.....	54.7	33.9	60.3
2nd	"	53.3	36.5	58.2
3rd	"	51.8	32.1	57.5
4th	"	60.1	57.2	59.3
1936—1st Quarter	.....	62.0	41.0	64.3
2nd	"	61.6	44.9	62.3
3rd	"	62.3	50.0	62.0
4th	"	71.9	75.8	65.0
1937—1st Quarter	.....	70.5	57.9	68.2
2nd	"	67.4	50.6	67.3
3rd	"	64.3	43.3	66.1
4th	"	63.5	38.8	63.1
1938—1st Quarter	.....	55.6	7.6	58.5

would become if net earnings increased in proportion to the increase of traffic.

The railway employee's immediate interest, of course, lies in increasing the volume of traffic—but, in the long run, as this chart suggests, he has quite as vital an interest in net railway operating income.

Are the railroads laying before their employees such facts with respect to employee interest in railway net earnings as may enable them to decide intelligently in their own interest what policy their organizations should pursue with respect to net railway operating income? If employees are not given this information, how can it be expected that they will learn wherein their true interest lies?

Conventions

Are conventions a source of expense or a means to effect economies? This question is brought to the fore by the action of the Association of American Railroads in cancelling the meetings of most of its sections as an aid in meeting the present emergency.

That the associations serving various branches of railway service have made large contributions to the

progress and efficiency of railway operation is recognized by everyone familiar with these organizations.

These associations have developed to their present high levels of constructive activity through the recognition by the more alert and progressive men in the various branches of service of their need for opportunity to exchange experiences with and learn of the practices of others in like service. Out of this need have sprung organizations that have done much through the years to educate and to stimulate these men in supervisory positions who may not determine policies but who, more than any other group of railway officers, determine the efficiency with which their railways' money is spent in accordance with those broad general policies.

That the railways are now passing through a crisis requires no argument. That they today require the exercise of the highest possible degree of efficiency is equally evident. It is for the development of this highest efficiency that we believe that worth-while associations should be encouraged to continue to function.

For those associations that are confining attention strictly to the consideration of the problems that are confronting the members in the conduct of their work on their individual railways, there exists greater opportunity for service in this day of such rapid change than ever before existed because the needs are greater. And likewise for that supervisory officer who attends a convention for the information that he will secure that will aid him in the conduct of his work, a convention offers greater help now than in more normal days because his needs are greater.

All this points to the desirability of encouraging those associations that are doing constructive work in meeting the problems of these critical days to continue their activities, with the responsibility placed squarely on their leadership that their work shall contribute definitely to the needs of these days. And a similar responsibility rests on railway managements to select men from their organizations who will bring back to their roads the most from these meetings.

That the benefits of convention attendance are very real can be demonstrated by the recital of many incidents that have grown therefrom. For illustration, one railway operating officer gained an idea from the convention of the Superintendents Association two years ago that led to the complete overhauling of the less-than-carload freight handling methods of his road and the development of such outstanding improvement in this service at a large terminal that it is today attracting nation-wide interest. Again, an officer of the bridge department of another road asked a question on the floor at a recent convention of the Bridge and Building Association which brought to him information that enabled him to save more than \$10,000 for his road in the cost of handling two unusual jobs, over contemplated plans almost agreed upon.

In these days when railway officers are being pressed to render better and more exacting service with less revenues, they need the benefit of all available ideas.



One of the Two Rail Cars Built by A. C. F. for Service on the Missouri & Arkansas

Missouri & Arkansas Rail Cars

TWO streamline air-conditioned gasoline-engine-driven rail motor cars for passenger service are now being completed for the Missouri and Arkansas at the Berwick, Pa., plant of the American Car and Foundry Company. These two cars have been named "John E. Martineau" and "Thomas C. McRae" by the road and are designed for operation between Joplin, Mo., and Helena, Ark., a distance of 368 miles. Both cars are expected to leave the builder's plant under their own power on Sunday, June 19, and will proceed by different routes on an exhibition tour enroute to the point of delivery at Helena, Ark. One car will stop at Washington, D. C., Charlotte, N. C., Atlanta, Ga., Nashville, Tenn., and Memphis. The other car will stop at Cleveland, Ohio, Toledo, Chicago and St. Louis, Mo.

Both of these cars are alike in appearance, arrangement and appointments. They are equipped for single-end control and have a 30-ft. mail compartment. Space is provided at the forward end for baggage. The rear of the car has seating capacity for 33 passengers. These cars weigh 66,150 lb. in working order. The pay load, estimated at 18,450 lb. including mail, baggage and passengers brings the total loaded weight to 84,600 lb., 22,000 of which is on drivers.

Each car is powered by one Hall-Scott model 190 horizontal gasoline engine developing 200 hp. These engines have six cylinders of 5¼ in. bore by 6 in. stroke and develop their rated power at 2,000 r. p. m. The cooling system capacity is 45 gallons. Fuel is delivered by means of a low pressure pump to two Zenith carburetors from 130-gallon-capacity fuel tanks.

The engine, clutch and transmission unit is mounted on the car underframe by means of rubber mountings. The clutch is of the single-plate type and the transmission is designed especially to negotiate the heavy grades of the Ozark Mountain territory. This is accomplished by the introduction of an auxiliary transmission between the regular transmission and the drive shaft, which provides one extra gear reduction permitting operation of the standard transmission in high gear or a straight one-to-one ratio on the heavy grades. The auxiliary transmission operates in the straight-through or one-to-one ratio position.

Power for starting the engine is obtained from an Exide 12-volt storage battery, which also supplies power for car lighting. The battery is charged by a Delco Remy 1,200-watt generator driven by V-belt from the engine.

Power is transmitted to the front, or leading, axle of the front truck by a drive shaft which utilizes a fabric disc joint and a needle bearing type universal joint to overcome misalignment. A slip joint in that portion of the drive shaft nearest the axles takes care of varying the shaft length required due to truck swing.

The drive axle of the front truck is equipped with two spiral bevel gears pressed on and facing each other. The spiral bevel pinion on the end of the drive shaft engages with one bevel gear, but can be shifted to engage the other, thereby giving a reversal of direction to the axle. This makes possible the use of the four forward transmission speeds when the car is making a long back-up, and greatly speeds up operation.

All controls are effected from the operator's position. The clutch is controlled pneumatically. The throttle is operated by a foot accelerator. The transmission shaft lever is at the right of the operator's seat with a shift lever for the auxiliary transmission immediately behind it. The control lever for the axle direction is at the left of the operator's seat. The instrument panel containing light and ignition switches, air, oil and water temperature gages, ammeter and engine-speed tachometer are all immediately in front of the operator. The cars are equipped with Westinghouse semi-automatic type of brake equipment.

The Car Body

The framing is of steel, high-tensile steel being used in the principal underframe members where strength is essential. The bolsters are box-girder type, assembled by welding. No center sill is required since the car is used only in single car operation, but draft sills extend from the bolsters to the ends of the car, where concealed pockets for an emergency coupler are provided. Side sheathing, including a skirt extending down 16 in. from the rail, is of aluminum. The pilot is steel-sheathed and braced from four points along its

lower edge. The roof is plain arch-type sheathed with steel.

The overall length of the car is 75 ft. 7 in.; the height from the rail to the top of the roof is 10 ft. 11 $\frac{3}{16}$ in., and the width over the posts is 9 ft. The front-end is well-rounded with three windows glazed with shatter-proof glass, the one directly in front of the operator being of clear-vision type, split horizontally with the upper portion arranged to swing out. The rear end slopes out from top to bottom, and contains two windows, the one at the side opposite the operator being divided vertically with the outer portion arranged to swing out, affording clear vision for the conductor during back-up operations. The conductor's valve, and marker and back-up light switches, as well as the signal button are located in the cabinet near the clear-vision window.

The center entrance vestibule steps are fixed, the side sill construction passing under the outer edge of the lower step. The vestibule doors are two-leaf folding type, opening inward.

The floor in the passenger compartment is two-course wood, covered with linoleum. The mail compartment floor is one-course wood, and the baggage compartment and cab floor is Diamondette steel sheets. No. 20-gage false floor sheets cover the entire underframe except at the baggage compartment.

The passenger and mail compartments are insulated with 1 in. Fibreglass.

Passenger compartment sash are double, of A. C. F. design, the outside sash being stationary and of steel, and the aluminum inside sash being easily removable for cleaning. All passenger compartment side windows, except saloons, are equipped with Pantasote curtains.

All doors, except side entrance doors, are of wood, the exterior doors being sheathed outside with aluminum. All exterior doors are arranged to be flush with car side when closed.

The interior finish in the passenger compartment is Masonite Presdwood headlining and wainscot, and aluminum frieze' and pier panels. The headlining is applied in three longitudinal panels, the center one being secured to carlines, and the side panels forming the bottom of ventilation ducts. The offset between side and center panels is closed with vertical aluminum pressings with grilled openings. Joints in the headlining are covered with metal mouldings. Felt insulation is generously used between finish and framing members.

The seats are of tubular frame design, with air and spring cushions. The top surface of seat cushion and front surface of the back are upholstered with henna-colored plush, with brown leather covering the remaining surfaces. There is a five-passenger transverse seat across the rear end of the car, similar to others, but without head rests, and six portable aisle seats upholstered in leather.

The passenger compartment is lighted by dome-shaped fixtures along the center line of the car, and arranged on several circuits so that various intensities of light may be achieved.

One saloon is provided for each passenger compartment. The rear, or white compartment, has a folding washstand. A water cooler is applied in the aisle side of each saloon. Water is supplied to the hoppers and lavatory by gravity.

The Color Scheme

The exterior color scheme is based on blue. The roof down to the top of the letterboard, and the skirt are aluminum color. The letterboard and lower side sheets are light (Alice) blue, and the window band, from belt

rail height to bottom of letterboard, is dark (Cadet) blue. An aluminum stripe is applied at both top and bottom edges of the dark blue band. The front end up to window sill height is covered with alternate 6 in. stripes of light blue and white, applied in the form of a chevron pointed down. All lettering is in white, except a monogram on the front end done in red and dark blue with aluminum colored letters.

The interior of the passenger compartment is in greens, which together with the brown and henna upholstery and cream-colored headlining, is quite harmonious. Frieze' panels, pier panels and bulkheads are light green, and wainscotting is dark green. Striping of a green shade which is in-between the two predominant greens is used to good effect. All trimmings in the passenger compartments, including the continuous type basket racks, have chrome satin finish. The linoleum floor cover has an aisle strip in several shades of green.

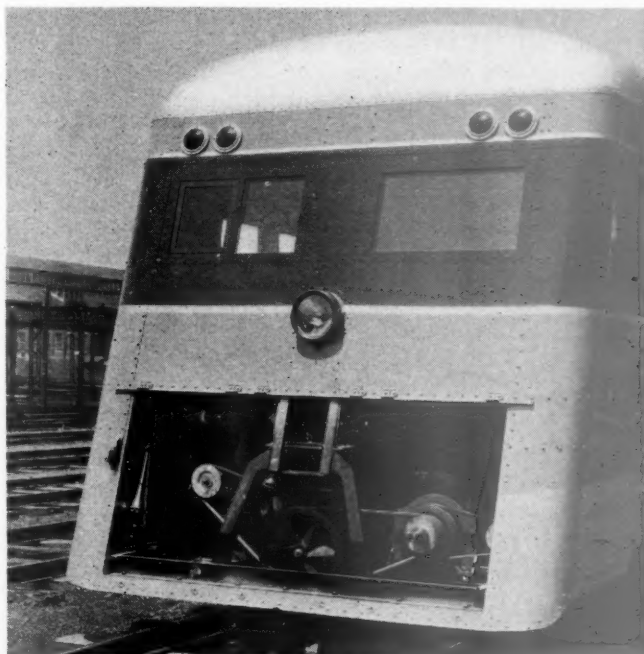
Air Conditioning and Heating

The air conditioning equipment consists of an A. C. F. thermo-mechanical system. Freon is used as a refrigerant and the rated capacity is 5 $\frac{1}{2}$ tons. The entire equipment is located at the rear of the car. The refrigeration units are in a lower compartment with access from outside of the car, the evaporators and blowers being located in an upper compartment above the rear seat.

Heat is supplied through fin tube radiators to passenger and mail compartments by an A. C. F. double coil, coal fired, hot water heater located in the right rear corner of the baggage compartment.

Trucks

The car body is mounted on A. C. F. drive trucks at the front and rear end. Both trucks have a 6-ft. wheel base, and 30-in. diameter rolled-steel wheels. Side frames are cast steel with pedestals integral. Brake rigging is outside hung on the drive truck and inside hung on the rear truck. The journals are equipped with Timken roller bearings.



The Air Conditioning Equipment is Located in Two Compartments at the Rear of the Car

Southern Pacific to Build 30-Mile Line Diversion

Construction through rough country includes 1 temporary and 12 permanent tunnels and 8 bridges, one of which will be 370 ft. high

CONSTRUCTION of a temporary single-track tunnel 1,821 ft. long through rock to permit earlier construction of a dam and the relocation of the main line of the Southern Pacific through exceedingly rough country for a distance of 30 miles north of Redding, Cal., are important features of a combined irrigation and power-development project now being undertaken in Central California by the Bureau of Reclamation. The relocation of the railway is particularly noteworthy because of the heavy work involved as well as because it will include 12 tunnels ranging up to one-half mile in length, and aggregating more than 5 miles, and 8 bridges totalling about 11,000 ft. in length and ranging up to 470 ft. high. As a further indication of the magnitude of the work involved in this revision of alignment, preliminary estimates place the cost at more than \$15,000,000, not including the temporary diversion tunnel which will cost approximately \$500,000.

This project, known as the Central Valley project, contemplates the construction of a dam, which will be known as the Shasta dam, about 560 ft. high, in the canyon of the Sacramento river 10 miles above Redding and about 5 miles below the junction of the Pitt river which also flows through a deep canyon as do several smaller tributaries of the Sacramento. As the reservoir to be formed behind the dam will submerge 27 miles of the Southern Pacific's main line, making it necessary to abandon 37 miles of track, relocation became necessary, and this constitutes a major element of the project.

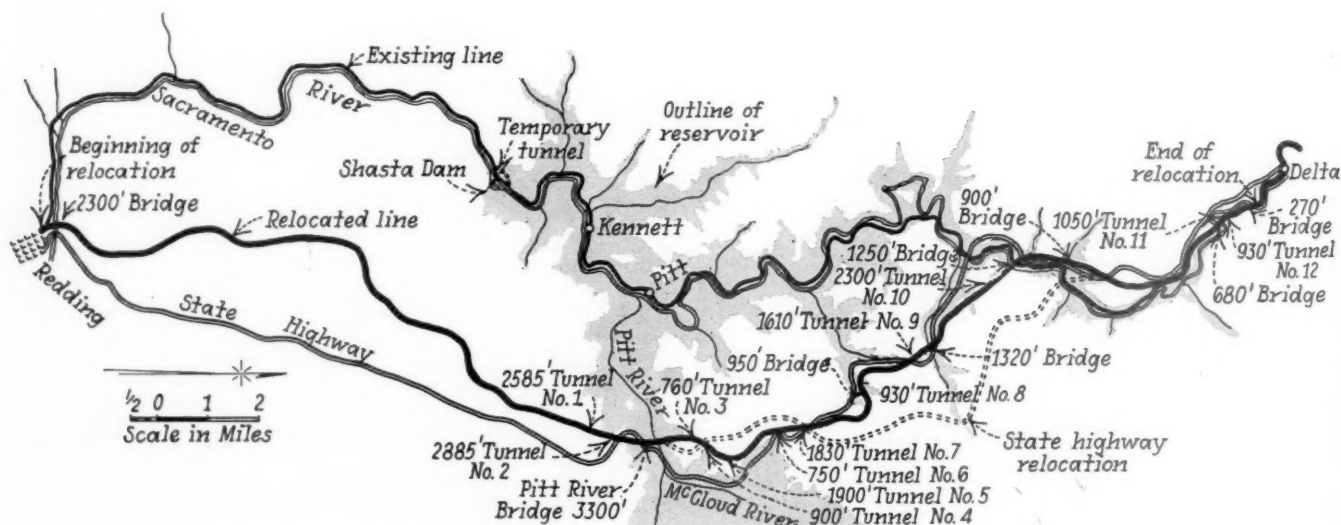
Surveys for the change in line, now approaching completion, call for a crossing of the Sacramento river at Redding, from which point the new alignment extends slightly northeast to a proposed high-level bridge across

the Pitt river immediately below its junction with the McCloud river. From this point the line veers to the northwest for about 16 miles to a connection with the present line above the flood level in the reservoir.

As located, the new line entails five crossings of the Sacramento, one at Redding, which will be about 2,300 ft. long, and the remainder at the upper end of the reservoir where the diverted line climbs out of the canyon. A state highway also occupies a part of the area to be flooded, requiring a relocation of about 10 miles. The new alignment of the railway and of the highway will be brought together at the Pitt river where they will be carried across an arm of the reservoir on a double-deck high-level bridge 3,300 ft. long and 470 ft. above the present stream.

In view of the time required to complete the line diversion, estimated to be 2½ years after the contracts are awarded, pending which construction activity on the dam would of necessity be at a standstill, the Bureau of Reclamation has developed a modification of the original plan, to which the Southern Pacific has agreed, that will permit construction of the dam to progress while the railway work is under way, thereby advancing the date of completion of the structure by 30 months.

Briefly, this consists of the construction of a diversion tunnel 1,821 ft. long to the west of the present alignment along the river. The total length of this temporary change of alignment will be about 3,000 ft. The tunnel section will be for single track and will be through andesite, a thoroughly metamorphosed rock that is exceedingly hard and tough. The tunnel is to be lined with concrete and will have an overhead clearance of 23 ft. At the point where the tunnel passes under the dam



Map Showing Shasta Dam and Present and Diverted Lines of Southern Pacific

there will be 60 ft. of solid rock between the tunnel arch and the nearest concrete in the dam.

A contract was awarded in April for the construction of the temporary line change which will involve 80,000 cu. yd. of excavation, principally rock, the placement of 13,000 cu. yd. of concrete in the tunnel lining and 130,000 lb. of reinforcing steel. After the 30-mile relocated line is in operation it is planned to use the tunnel as a by pass for the flow of the Sacramento river pending final closure. Eventually it will be closed, however, by a concrete plug beneath the upstream edge of the dam, with the portion below the plug serving as an outlet tunnel for the steel penstock lines leading from the intake gates to the power house, which will be on the same side of the river as the tunnel.

Bids have not yet been invited on the 30-mile change of line for, while the general location has been decided on, certain refinements of the alignment in the rough country through which it will pass are still under study. However, contracts, detailed plans for the structures and specifications are being prepared so that they will be ready by the time the plans are perfected.

Shasta dam will also be a notable structure, since it will be 560 ft. high with a crest length of 3,100 ft., impounding 4,500,000 acre-feet. Excavation at the dam site will be 3,000,000 cu. yd., and the dam will contain 5,700,000 cu. yd. of concrete, compared with 4,360,000 cu. yd. in Boulder dam. The total cost of the project, which extends south 500 miles to Bakersfield, and includes a second dam at Friant, is estimated to be \$170,000,000.

Railway Buying April and Four Months

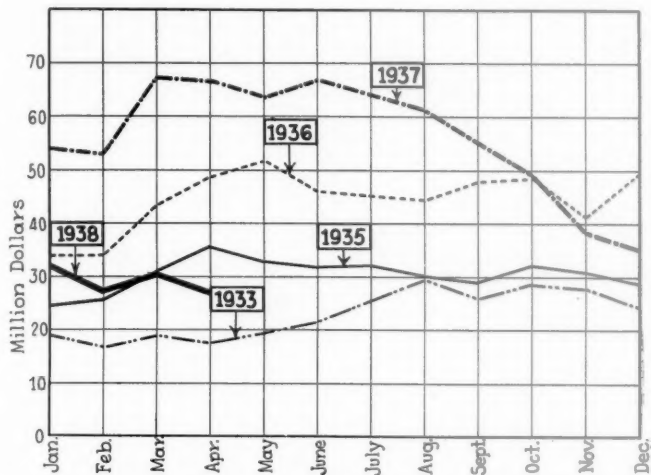
BUYING of materials and supplies, exclusive of equipment, by the Class I railways in April totaled approximately \$47,050,000—a decline of 6 per cent from the previous month, of 11 per cent from January and of 46 per cent from April, 1936, according to reports made thus far by 41 railroads. In this total was approximately \$2,461,000 of delivered rail, as compared with approximately \$2,439,000 in March; \$4,292,000 of cross-ties, as compared with \$3,966,000 in March and \$21,159,000 of car and locomotive repair parts and miscellaneous materials, as compared with \$23,820,000 in March. Aggregate purchases of material from manufacturers in April totaled approximately \$27,912,000 and were the smallest since January, 1935.

These preliminary figures for April brought the total buying by Class I railroads in the four months to \$208,130,000 including \$116,572,000 for materials and supplies, exclusive of fuel, received from manufacturers and \$10,698,000 of orders placed with builders for locomotives and cars—a total of \$127,270,000 of materials and equipment, exclusive of fuel, from manufacturers. The remaining \$80,860,000 was spent for fuel.

This was a decline of approximately \$124,150,000 or 52 per cent from the first four months of 1936 in the purchases of materials, exclusive of fuel, and a decline of approximately \$129,000,000 in the value of orders placed on builders for new locomotives and cars or a decline of approximately \$253,030,000 or 66 per cent in the purchases of materials and equipment, exclusive of fuel, from manufacturers. The four months buying was about equal to that in the first four months of 1935 but was below the buying in the first four months in 1934 as well as 1936 and 1937. Compared with the cor-

responding period of 1929 the buying of materials and equipment from manufacturers was less by approximately \$377,520,000 or 75 per cent.

While aggregate buying was less in April than in March, increased expenditures for materials and supplies



Month to Month Trend of Purchases Made by Class I Railroads for Material and Supplies, Exclusive of Fuel and Equipment

including fuel were reported by the Akron, Canton & Youngstown; the Atlanta, Birmingham & Coast; the Chicago & Eastern Illinois; the Chicago & North Western; the Columbus & Greenville; the Elgin, Joliet & Eastern; the Lehigh & New England; the Minneapolis & St. Louis; the North Western Pacific; the Pere Marquette; the Pittsburgh & West Virginia and the Southern Pacific. The purchases by these roads and also those of the Alton & Southern; the Central of Georgia; the Chesapeake and Ohio; the Chicago, Rock Island & Pacific; the Missouri-Kansas-Texas; the New York, Chicago & St. Louis, and the Richmond, Fredericksburg & Potomac, were larger in April than in January and the purchases by the Akron, Canton & Youngstown; the Atlanta, Bir-

Railway Purchases

	Fuel (000)	Rail (000)	Cross- ties (000)	Other Material (000)	Total (000)
January, 1938	\$21,889	\$1,382	\$3,965	\$26,020	\$53,256
February, 1938	20,002	2,022	3,643	21,403	47,070
March, 1938	19,831	2,439	3,966	23,820	50,056
April, 1938	19,138	2,461	4,292	21,159	47,050
April, 1937	19,583	5,343	5,107	56,536	86,569

	Materials* received from manu- facturers (000)	Equipment ordered from manu- facturers (000)	Total from manu- facturers (000)	Fuel (000)	Total Including fuel (000)
1929 ...	\$322,372	\$182,418	\$504,790	\$118,728	\$623,518
1930 ...	304,989	94,381	399,370	113,111	512,481
1931 ...	188,960	9,873	198,833	88,040	286,873
1932 ...	102,500	1,739	104,239	68,700	172,939
4 Mos. 1933 ...	72,633	787	73,420	58,023	131,443
1934 ...	125,645	28,008	153,653	71,632	225,285
1935 ...	116,250	6,206	122,456	85,350	207,806
1936 ...	160,788	39,141	199,929	89,144	289,073
1937 ...	240,722	139,578	380,300	102,609	482,909
1938 ...	116,572	10,698	127,270	80,860	208,130

* Includes rail and forest products.

Revised to June 6, 1938

mingham & Coast; the Chicago & Eastern Illinois; the Elgin, Joliet & Eastern; the Minneapolis & St. Louis, and the Pere Marquette were larger in April than in any previous month this year.

Rail Labor Takes Wage Issue to Capitol Hill

WASHINGTON, D. C.

JUST as predictions of an adjournment date were coming thick and fast and high Congressional leaders were issuing statements that Congress would evacuate Washington by the end of the week, railroad labor took a new line of attack in its maneuvering to stave off the proposed 15 per cent wage reduction by attempting to get Senator Wagner and Representative Crosser to introduce a joint resolution empowering the President to take over and operate the railroads in the event that the dispute over the wage reduction should result in a national emergency. Despite persistent rumors that the President and Chairman Jones of the Reconstruction Finance Corporation are bending every effort to get action on the Wagner-Steagall RFC rail loan bill, neither the Senate banking and currency committee nor the House banking and currency committee have shown any inclination to take action on the companion bills, the Senate bill having been recommitted to the committee because of railroad labor's opposition and the House bill languishing on the calendar for want of Senate action.

Other Rail Developments

Also, a prominent Washington columnist has reported this week that a certain government agency has prepared a memorandum showing that by the end of this year only eight roads in the country will have earned their fixed charges. It is charged that this report is being used to influence Congressional action in favor of passage of the Wagner-Steagall bill. Another development of the week took the form of a house concurrent resolution submitted by Representative Bruce Barton of New York which would create a special joint Congressional commission to investigate the condition of the railroads and present to Congress not later than January 3, 1939, a report of its findings together with its recommendations, if any, for remedial legislation. The Congressional Record for June 3 contained an extension of remarks of Representative Bernard of Minnesota in which he violently denounced the proposed action of railroad management to reduce all railroad wages by 15 per cent.

Labor Still Opposes Loan Bill

The Railway Labor Executives Association held an emergency meeting in the evening of June 7 to canvass its membership as to how the employees felt regarding certain overtures that the Reconstruction Finance Corporation and various Congressional leaders were reported to have made in an attempt to get labor to agree to the rail loan bill. At this meeting the union heads rejected all appeals for their aid in getting action on the bill and decided to draft a resolution providing for executive action if a strike in the railroad industry becomes an actuality. The bill was drafted by the labor group, but at the time of this writing, the labor people were still looking about for sponsors in both houses.

Both Senator Wagner and Representative Crosser were asked to introduce the joint resolution, but Mr. Crosser did not feel that it was in proper legal form and postponed his decision as to whether or not he would sponsor it. He was quoted as saying, though, that if a strike were threatened which would tie up the commerce of the country, he favored some such action as this resolution contemplated.

At the session of the labor executives, various speakers asserted that the railroads' wage-reduction demand had been a surprise to them because they had understood that no reduction notice would be served at that time. George M. Harrison, chairman of the Railway Labor Executives Association, denounced the wage reduction proposal as "unwarranted" and "unnecessary," and went on to say that "We are determined to resist a wage cut to the utmost. We will go so far as to take national strike action if the matter is pressed. We feel that in resisting a wage reduction we are in line with the Administration's policy against reducing purchasing power. We know that such a wage cut would mean a downward spiral in purchasing power and we are opposed to such a deflationary movement."

Barton Asks Rail Investigation

Representative Barton's resolution would create a special joint congressional commission to be composed of six persons, two senators appointed by the Vice-President, two representatives appointed by the Speaker of the House of Representatives, and two persons not connected with the Government, one of whom would be appointed by the Speaker of the House and the other by the Vice-President. The committee would be given the power of subpoena and would be authorized to spend not more than \$50,000 for the investigation of the railroad structure. The preamble to the concurrent resolution sets out the facts that for more than 50 years the railroads have been subject to regulation by the Federal Government and that large sums of money have been loaned to the railroads during the past six years by the Reconstruction Finance Corporation and by the Public Works Administration to assist them in meeting their current charges on their bonded indebtedness and in rehabilitating their rolling stocks and other necessary equipment. It also recites the fact that a large number of the railroads in this country are faced with the prospect of bankruptcy during the course of the next 12 months unless additional assistance is forthcoming, and ends by asserting that a "long-term policy can only be created by Government, ownership, management, and labor, working together." This resolution is only one of six which he submitted at the same time to investigate the general state of the Nation.

Bernard Denounces Wage Cut

Representative Bernard began his remarks by stating that "Outside of Congress the first-line trench against wage cuts is being held by the railroad brotherhoods. They have won the support of many representatives and senators, who have blocked further federal subsidy for the railroad magnates until they are assured that there will be no wage cuts." The Minnesotan then pointed out that Governor Earle of Pennsylvania and Governor Benson of Minnesota have spoken out in defense of the railroad workers and added that he was glad to add his voice to theirs. His speech was punctuated by such subheads as, "A Look Into Former Railroad Grabs," "Millions of Dollars, Millions of Acres," "Still Greedy," "No Wage Cuts For Rail Officials," "The Railway Workers Will Not Take It," and "To The Dikes! Hold Back The Flood!"

EXTRACTION OF CINDERS from the eye is made easier by the use of a new folding magnifier and mirror which serves to locate foreign particles in the eye, the makers claim. The instrument consists of a mirror and three-power magnifier by which self-examination of the interior of the eye can be made. Bausch & Lomb, of Rochester, N. Y., are the manufacturers.

Terminal Vs. Main-Line Operation*

Yard costs bulk large in the list of railway operating expenditures

By A. A. Lowe

Assistant to General Manager, Southern Pacific

THE combined yard costs for six typical Class 1 railroads for the year 1936 amounted, in round figures, to \$50,000,000. Corresponding road operating charges were \$156,000,000. Therefore, the yard costs amounted to 23 per cent of the total and were 32 per cent as large as the road operating costs. The yard operating expense for these six major railroads averaged \$137,000 per day throughout the year 1936, and no doubt has increased since that time. The average daily cost for yard operations in 1936 ranged from \$18,600 to \$27,000 on each of these six railroads, as compared with a daily range of from \$47,400 to \$91,100 for corresponding charges to road service.

Another yardstick of comparisons is the average time that trains are in terminals and intermediate terminals, from arrival until departure. A recent check of this on one representative railroad, covering 100 trains in both directions through various gateways, revealed that 34 per cent of the time was spent in terminals.

These calculations speak for themselves, but it is interesting to delve into the causes and conditions which result in so large an expense and amount of time charged to yard operations. The best approach is to review the conditions existing at the present time and then point out what the ideal development and operation would be.

Yard Expansion Arrested

Here in the west, where the growth of cities has been rapid and far exceeded the vision of the managements of earlier years, practically every terminal yard is hemmed in or completely surrounded with residential or business districts or golf links, or seriously hampered with street and railroad or street car crossings, with the result that the possibilities for expansion are limited or in some cases nil. This situation has forced the carriers to resort to expensive and extreme measures in order to move cars and trains through such terminals, the usual procedure being to struggle along until the limit is reached and then do part of the switching at distant points. This is expensive from a financial standpoint, but of even greater importance is the fact that delays to all cars are multiplied while certain cars are being blocked.

The steady trend of increase in the population of cities has had a marked influence upon the volume of industrial switching in terminals to handle an increasing volume of foodstuffs into the cities and a greater amount of manufactured products out of the cities. Also in recent years all industry has become aware of the value of rapid turnover of goods, with the result that the carriers are now virtually the warehousemen as well and are required to do more than was ever dreamed of 10 years ago in the matter of making prompt and early deliveries and later pickups. This results in a greatly increased

pressure for earlier arrival of freight trains, with faster break-up and prompt handling to delivery trucks. The demand for special switching moves for long distances from train yards to consignees' tracks has reached proportions where it is not only very costly but at times impossible of accomplishment to the satisfaction of all concerned.

Extra Moves Increase Burden

Another added burden for terminals is the increase of some 25 to 35 per cent in the number of passenger train cars handled, and, in addition, many extra moves are required nowadays, as, for example, in warm weather many sleeping cars are turned so as to have the rooms on the shady side across certain stretches of desert or to afford a better view of scenery en route. Unfortunately, it frequently happens that yards are so laid out that passenger cars have to be hauled across freight leads or yards in being moved to or from passenger terminals. There is also the problem of weighing and cleaning and repairing freight cars. These requirements are costly and have a serious adverse effect upon the time element.

Some terminal yards are so constructed that classification work has to be stopped every time a train enters or leaves, because such movement fouls the switching leads. The average out-of-pocket cost of operating a switch engine shift is \$65, and from the eight hours must be deducted 20 minutes allowed the crew to eat, while at least 15 minutes more is lost oiling, watering and inspecting the engine; hence any other time lost by reason of the engine being blocked seriously curtails the daily output per engine, increases costs and slows up deliveries or making up of trains.

These and many other handicaps are the reasons why such a large percentage of the time that trains are on the line is charged to yard operations, and, in addition, the time the individual cars are in yards, loading, under load or awaiting load before placed in a train.

Ideal Set-Up

As a rule, all railroads lead to one or more important large centers; hence the major part of the tonnage moves through a few channels. Consequently, if one, two or three modern terminals are provided at strategic locations, it is then possible to perform practically all of the weighing, inspecting, cleaning, repairing and blocking of cars in a few locations at minimum expense. These locations need not be in or even immediately close to the large centers, but rather at the crossroads where traffic diverges or converges and where there is ample acreage at low price to build a yard to meet present requirements and afford room for future expansion. Such a terminal should, if possible, have the advantage of favorable weather conditions, be level or nearly so, equipped

* From an address before the Pacific Railway Club.

with humps, car retarders and inspection pits, and with telephones to towermen so that cars found in need of repairs can be diverted to car repair tracks when put over the hump. Automatic track scales for weighing cars in motion are absolutely necessary. Plenty of short classification tracks are the backbone of an economical layout on which cars may be switched for various districts for prompt pull and spot on arrival at their final terminal, possibly 50 or 100 miles distant.

Inbound and outbound yards must, of course, be separated, but conveniently connected for transfers. Quick and convenient running tracks must be provided for engines moving to and from the enginehouse. If steam yard engines are used, they should be equipped with tenders holding an eight-hour supply of water and a 24-hour supply of fuel. Such a yard, covering each general route or gateway, would serve not only to expedite the delivery of inbound cars, but also to build up outbound trains promptly and enable originating terminals to move cars out of the congested cities with a minimum of switching. In other words, it would enable a road to "throw" the trains together any way to get them moving out of the congested areas and do the classifying in the modern yard at the crossroad.

Demands of Customers

We have indicated the relative costs and compared the time that trains are in yards, and on the road, have dwelt at considerable length on the various handicaps existent in operating of the great majority of yards, and have sketched briefly what a modern yard, economical to operate and expeditious, must have and which would have a decided effect upon the relation of yard to road operation. There remains the very important item of public service in terminal operation as it relates to main-line operation. The shippers and consignees appear to be working more closely on a day-to-day basis than ever before. Consignees must be kept currently advised of passages en route of the majority of cars, and they schedule their output of manufactured goods to coincide with the time that parts are due from distant points. Often the yards are obliged, at much extra cost and inconvenience, to make quick runs to outlying units of the yard with one or two cars as soon as they arrive, in order to keep the plants in operation, which, in turn, makes available outbound loads for main-line haul. The consignees, therefore, come in close contact with the yard organization and service and, when satisfied, can generally be depended upon to favor the carrier with their outbound patronage. In short, the quality of yard service is a very important factor in the solicitation of freight traffic.

The demands upon the railroads for faster service call for a continuous outlay of tremendous sums for the development of their properties. There is a growing tendency to inquire into the question of whether it may not be more economical to expend fairly large sums in laying out new, modern and fully equipped yards to expedite industrial work and the making up and breaking up of trains rather than to invest so heavily in road development, tending to faster speeds between terminals, which, in effect, serves to run off the delays incurred in yards. The ideal situation would be to maintain a proper balance between yard and road costs and time, which will also accomplish a decided reduction in the time that trains and cars are tied up in terminals.

Within the next few years there will be a substantial development of strictly modern yards on all major railroads not now so equipped, and the expenditure for such yards will result in reducing to a much larger extent the

amounts which will otherwise have to be expended for double tracking, sidings, etc., and at the same time effect large reductions in operating expense for fuel and track maintenance which result from having to increase speed between terminals to run off delays in yards.

Reducing Yard Costs Live Subject

Even with such yards, there still remains the necessity for maintaining a considerable number of intermediate and terminal units, and the expense incident to the operation of those units is and always will be very heavy; therefore, anything that can be done to reduce the cost of operating such yards is well worth considering and must always be a live subject. Generally speaking, such yards are patched with a track here and another somewhere else or an extension to an existing track, and occasionally a new wing or unit, but these expenditures serve largely simply to increase the capacity of the yard without materially reducing the operating cost, and by the very nature of the layouts, hemmed in as they are in cities, there is little that can be done to reduce costs or greatly to increase the capacities without expending enormous sums for expensive property. Therefore, it would seem the part of wisdom to concentrate upon the proper location, design and operation of larger yards which we have referred to, and in building them, do so with a view of removing to the maximum extent all work which must otherwise be handled in other yards, and when that is accomplished, then see what can be done to improve the situation in the smaller units to take care of the industrial work and such train yard work as cannot be taken care of in the larger yards at outside points.

Proper Location of Water, Fuel Essential

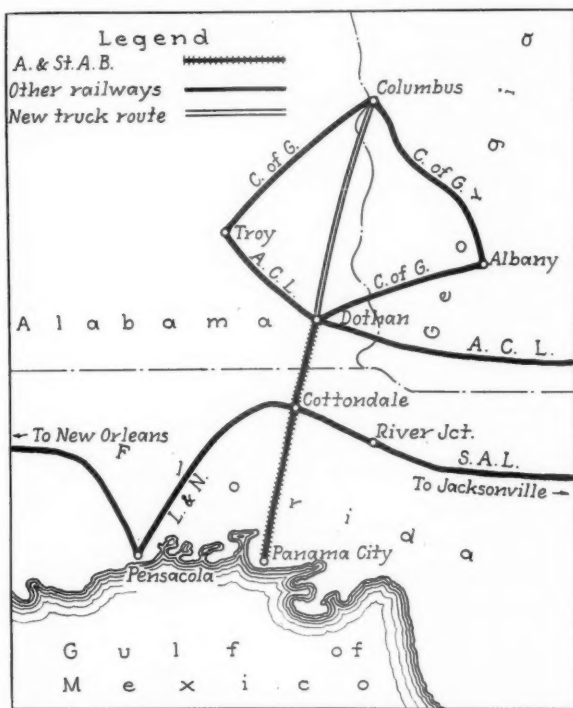
In these smaller units, much can be accomplished by the proper location of water and fuel facilities and the establishment of engine-changing points, so that power may be taken from the roundhouse to these changing points to accomplish a minimum of delay when crews change or power has to be taken to the roundhouse for attention. Supporting units of these smaller yards should be so located as to enable prompt delivery of empties to be made to industries in the adjacent territory and provide a place to assemble cars moving to or from the train yard proper. Such supporting yards will materially reduce the main-line interference by reducing the number of movements between the outlying points and the train yard, and in many instances blocks of cars can be picked up out of trains in passing the supporting units and save the delay and expense of moving cars to or from the train yard.

Much more study could well be given yard facilities to develop them to a much higher level, as it is evident that the relation of yard to road operations on either a cost, time or service basis is entirely too high, except on roads provided with modern and adequate yards.

THE COMPREHENSIVE PLAN of electrifying all the passenger train services in the Witwatersrand gold mining area of the Union of South Africa together with the line to the Union's administrative capital, Pretoria,—131 route miles all told—will be an accomplished fact within a few more months. Already 95 route miles have been converted from steam to electric power, including the whole of the 58-mile main Reef line between Randfontein and Springs, enabling a considerable speed-up in running time. The only remaining section to be converted is that between Kempton Park and Pretoria,—a distance of 27 miles—which will be completed about the middle of July next.

Co-Ordination in The Deep South

THE Atlanta & St. Andrews Bay is not a large railway. It is 81 miles long and operates between Dothan, Ala., and Panama City, Fla., a port in St. Andrews bay on the Gulf of Mexico, but it was the first road in that section of the country to inaugurate rail-highway co-ordination, through its wholly-owned subsidiary, the St. Andrews Bay Transportation Company. This highway subsidiary, with its ownership of 7 buses and 3 trucks, has been giving its patrons more flexible service than would be economical under steam operation. The trucks have been used in giving better service on merchandise originating at or destined to points along the railway and the buses in supplementing the passenger service. By supplementing the rail motor car service with buses, three daily passenger schedules are avail-



How the A. & St. A. B. Serves Its Territory

able daily in each direction between Dothan and Panama City, one by rail and two by highway. A rail motor car leaving Dothan at 7 a. m. arrives at Panama City at 12:45 p. m., leaving there at 3:45 p. m. and arriving at Dothan at 6:45 p. m. At the latter point, connections are made with local and through trains of the Central of Georgia and the Atlantic Coast Line. One of the two bus runs in each direction is scheduled to meet the through New Orleans-Jacksonville trains at Cottondale, Fla., where connection is made with the Louisville & Nashville. Thus Panama City which, because of the indented coast line, is difficult to reach by any other means, is provided with a flexible service north, east and west.

Immediately north of Dothan, in the Chattahoochee valley, a considerable area between Dothan and Columbus, Ga., 120 miles, is without north-south railway service. This has resulted in delays to merchandise shipments from Columbus, which is an important jobbing center for the area, to points on the A. & St. A. B., as well as in through shipments from the Northeast. To correct this situation, the St. Andrews Bay Transpor-

tation Company inaugurated a 120-mile truck line between Columbus and Dothan in January of this year, as shown on the accompanying map, permission having been obtained from the Interstate Commerce Commission in December. This new off-line truck route connects with the trucks operating to and from Dothan paralleling the railways, and, in addition to the through business, is able to give better service to local merchandise shipments en route.

New Books...

The Railway Carriage & Wagon Handbook. Published by The Locomotive Publishing Co., Ltd., 3 Amen Corner, London, E.C. 4. 366 pages, 5 in. by 7 in., cloth bound. Price, \$1.

General principles underlying British practice, rather than individual practices, are dealt with in this handbook. Both wood-framed and all-steel passenger-car bodies—floors, roofs, ceilings, interior finish, timber, etc.—are discussed in Chapter I. Separate chapters are devoted also to painting; the passenger-car under-frame; trucks; freight-car design; buffers and draft gear; wheels; tires; axles and springs; train lighting; heating and ventilation; the mass production of freight cars; progressive coach repairs; inspection; lightweight in coach construction; interior metal work and its decorative treatment, and railway gages. British standard specifications for materials are then presented.

Railroadman, by Chauncey Del French. 292 Pages. 8½ in. by 5¾ in. Bound in cloth. Published by the MacMillan Company, New York. Price \$2.50.

"Tall tales of the rails" are monotonously profuse in these days of enthusiasm for the antiquity of the industry; but when an old man, "all passion spent," sits down to relate with the quiet dignity and acute perspective of old age the story of the life of an active railroader,—that is something else again. While his son, Chauncey Del French, is technically the author of the book, it is really the delightful, 79-year-old Henry Clay French who speaks, and without egotism, braggadocio or studied "atmosphere."

As the preface runs, it was only in America, in the early 'Seventies, that such a life could have been lived. It was the railroad age, when towns looked to the locomotive for their future. Mr. French experienced it to the hilt; he was engaged in railroad service for almost 57 years after he ran away from the farm at the age of 13 to become a messenger boy for the Hannibal & St. Joe in 1873. He possessed not even the fare for the St. Louis ferry, and when the fare-collector asked his purpose in traveling to the city, he replied, "I'm going to be a railroadman—a good one." "See that you do, sonny," replied the collector. He did.

Mr. French worked for 15 different roads. He saw them build, consolidate,—even abandon. His story differs from the usual "success" story,—"Up from the Roundhouse" or "The Poor Boy Becomes President,"—because he stayed right out on the road, straight through to his retirement in 1930 as yardmaster. In the course of his service, he served as messenger boy, telegrapher, baggageman, switchman (during this time his sister kept an extra clean sheet in which to wrap his mangled remains!), brakeman, conductor (at the age of 21), fireman, engineer, switch foreman, and yardmaster. His career was no steady climb, but rather a shuttling back and forth, as the country grew westward and as periodic depressions "bumped" him off the boards. It was all hard, tough work, and he fulfilled his aim of becoming a good railroader, which is the very essence of success.

Aside from the personal incidents of a busy life, "Railroadman" is an excellent history of such roads as the Northern Pacific, the Union Pacific and the Santa Fe. Mr. French had more than the usual employee's understanding of the big things that were going on about him; he knew at first hand the exploits of such men as Villard and Harriman and relates them in a fashion which will be acceptable to the most meticulous historian. In short, the book is the story of an era and a representative member of it.

NEWS

Crossing Mishaps Higher in 1937

Most grade crossing casualties since 1930; 1,875 deaths and 5,136 injuries involved

The largest number of casualties since 1930—1,875 deaths and 5,136 injuries to persons—resulted from 1937 rail-highway grade crossing accidents, according to the summary statement for last year recently issued by the Interstate Commerce Commission's Bureau of Statistics. The 1930 figures were 2,020 deaths and 5,517 injuries while in 1936, 1,786 persons were killed and 4,930 injured.

Pointing out that the number of grade-crossing accidents is affected by the volume of railway and highway traffic, the Bureau relates the figures to train-miles and automobile registrations. This tabulation, going back to 1930, reveals that the largest and smallest number of crossing accidents occurred in the years of the heaviest and lightest rail traffic respectively. Also, the smallest number of accidents occurred in the year of the smallest automobile registration, but the greatest number of accidents was not the year of the highest registration. It is suggested in explanation of the latter that the year of highest registration "need not be always the year in which the greatest number of automobiles pass over crossings."

The 1937 fatalities at grade crossings constituted 36.64 per cent of the fatalities in all railway accidents connected with train operation, and the number of persons injured was 25.49 per cent of all injuries in accidents from train operation. And while the great majority of crossing accidents involve highway vehicles of some kind, 227 pedestrians were killed and 140 injured at public crossings in 1937.

In 62.53 per cent of the 1937 train-motor vehicle collisions the train struck the motor vehicle while in the remaining 37.47 per cent the motor vehicle ran into the side of the train, there being "practically no change" in this proportion from the previous year. The Bureau thinks that "the fact that the motor vehicle ran into the side of the train has less significance when it is considered that in 46.65 per cent of these cases the vehicle was reported as having run into the motive power unit or first car being shoved."

The proportion of accidents occurring during daylight increased from 49.53 per cent in 1936 to 51.47 per cent last year. The hour of greatest frequency in 1937 was between 7 and 8 p. m.; in 1936 it was

between 11 p. m. and midnight. The hour of smallest frequency was between 4 and 5 a. m.; in 1936 it was one hour later. As in 1935 and 1936, Saturday was the day of greatest frequency. December was the 1937 month of greatest frequency, as it was in 1936, although the greatest number of casualties were reported in October. June was the month of lowest frequency in both accidents and casualties.

The 1937 figures show that 77.13 per cent of the crossing accidents involved passenger automobiles while trucks figured in 22.03 per cent. Buses were involved in 0.47 per cent and motorcycles in 0.37 per cent. Freight trains were involved in 44.8 per cent of the train-motor vehicle collisions, passenger trains in 41.77 per cent and yard switching movements in 12.81 per cent. Thirty-five per cent of the accidents occurred at crossings protected by closed gates, watchmen or signals, while 23 per cent of the crossings at which accidents occurred were protected by automatic devices, and 10 per cent by manually operated devices. Approximately 25 per cent of the night accidents occurred where lighting had been specially arranged to illuminate the crossings.

Forty-seven per cent of the accidents occurred under conditions in which the driver of the motor vehicle was described as "normal." The surface of the highway was reported as dry in "nearly 75 per cent" of the accidents, but the drivers were reported to have been imbibing "wet" goods "to some degree" in 5.82 per cent of the accidents.

Male drivers were involved in 92 per cent of the accidents and "women drivers" in 8 per cent. In 78 per cent of the accidents the drivers were reported as having been familiar with the crossing.

President Signs Independent Offices Bill

The President has signed the Independent Offices Appropriation bill which carries appropriations for the Interstate Commerce Commission, Railroad Retirement Board and the National Mediation Board for the fiscal year ending June 30, 1939. The total figure for the commission is \$8,726,000 and included in this sum is \$3,250,000 for the Bureau of Motor Carriers. The House version of the bill carried \$3,500,000 for the Bureau and the Senate reduced it to \$3,000,000.

The total allotment for the Railroad Retirement Board is \$120,465,000, with \$118,250,000 of this amount going to the railroad retirement account to pay pensions under the act. To carry on its work the National Mediation Board will receive \$374,200.

Harriman Safety Medals Awarded

New York Central, Ann Arbor and Nevada Northern receive medals

Another all-time record in safe rail passenger traffic was established in 1937, said John Stilwell, president of the American Museum of Safety, in presiding at a luncheon meeting at the Hotel Commodore, New York City, June 6, on which occasion the eighteenth award of the E. H. Harriman Memorial Medals was made. "There were less passengers killed per million passenger-miles than in any year in the history of American railroads, since records have been made available by the Interstate Commerce Commission," said Mr. Stilwell. "The passenger fatality rate in train and train-service accidents shows a reduction of 74 per cent, as compared with the three-year average for the years 1923-1925. On a total train-mile basis, collisions were reduced 59.5 per cent and derailments 54.9 per cent."

The New York Central was awarded the gold medal in Group A, or Class I railroads operating ten million or more locomotive-miles per year. The Southern Railway System, also in this group, was awarded a certificate of special commendation. The Ann Arbor Railroad Company was awarded the silver medal for making the best record in Group B, or those Class I railroads operating from one million to ten million locomotive-miles a year. The Nevada Northern Railway Company was awarded the bronze medal as the leader in Group C, which consists of Class I railroads operating less than one million locomotive-miles a year.

A special formula has been devised as the basis for these awards; it is somewhat complicated, but includes passengers killed or injured in train accidents; passengers killed or injured in train-service accidents; employees on duty killed or injured in train, train-service and non-train accidents; and other persons, with certain exceptions, killed or injured in train, train-service and non-train accidents. Figures used are taken from the official records and summaries of the Interstate Commerce Commission.

George B. Cortelyou, chairman of the committee of award, presided over the medal award ceremonies and was assisted by W. A. Harriman and E. R. Harriman, sons of the late Edward H. Harriman, and by Lew R. Palmer, conservation engineer

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\$80,000,000 for Grade Crossings

Congress grants that sum for 2-year program — Penalizes states which "divert" gas tax

The Senate and House of Representatives last week adopted the conference report on H. R. 10140 which authorizes federal-aid highway expenditures for the fiscal years ending June 30, 1940, and June 30, 1941, including \$20,000,000 and \$30,000,000 respectively for grade crossing elimination and protection work.

As originally passed by the House the bill authorized \$50,000,000 for grade crossing work in each of the two years, but the Senate reductions to the above figures were finally approved. In defending its action the Senate committee on post offices and post roads asserted that "It is conservatively estimated that \$30,000,000 will be available as a carryover from previous authorizations of funds for the elimination of grade crossings. Thus the effect is to leave available a two-year total of \$80,000,000 for grade crossing work."

For the same reason the Senate had cut the regular federal-aid authorizations of \$125,000,000 for each of the two years to \$75,000,000 for the fiscal year 1940 and \$115,000,000 for 1941. The conferees agreed to the latter but split the difference on the 1940 authorization, increasing it to \$100,000,000. In explaining the conference report Chairman Cartwright of the House roads committee said that the bill, as originally passed by the House, authorized a two-year aggregate amount of \$476,000,000. The Senate cut this by \$161,500,000, and the conferees restored \$35,000,000, leaving a net reduction of \$126,500,000.

The House conferees accepted these changes, Mr. Cartwright went on, because the Chief of the Bureau of Public Roads reported a carry-over of \$150,000,000, and the relief bill carried an earmarked amount of \$425,000,000 for highway work. Also, the conferees were given to understand that the President would sign a bill for the amounts carried in the Senate amendments. Representative Mott of Oregon, a minority member of the roads committee, thought that the veto threat was not a sufficient reason for the House's yielding; he suggested that the bill could be passed over a veto. The Senate adopted the conference report without debate.

The final version makes no change in the existing law with respect to penalties for states "diverting" gasoline taxes and other levies on motor vehicles to non-highway purposes. The present maximum penalty in this connection is one-third of the offending state's allotment. The House, as reported in the *Railway Age* of May 14, rejected its roads committee's proposal to increase the penalty to two-thirds. Also approved was the Senate's action in removing the provision limiting grade-crossing expenditures to work on the federal-aid highway system. This change was suggested by R. V. Fletcher, vice-president and general counsel of the Association of American Railroads, who told the Senate

committee that such work might be desirable on some city streets and state highways.

Chairman Hayden of the Senate committee on post offices and post roads inserted in the June 3 Congressional Record a tabulation showing the estimated apportionment of federal-aid highway funds authorized by the act. The figures for grade crossing work are as follows:

Estimated Apportionments of Federal-Aid Grade-Crossing Funds for the Fiscal Years 1940 and 1941

State	1940	1941
Alabama	\$394,000	\$592,000
Arizona	126,000	190,000
Arkansas	346,000	519,000
California	730,000	1,096,000
Colorado	253,000	380,000
Connecticut	167,000	251,000
Delaware	98,000	146,000
Florida	277,000	416,000
Georgia	478,000	716,000
Idaho	162,000	243,000
Illinois	1,032,000	1,547,000
Indiana	508,000	762,000
Iowa	545,000	818,000
Kansas	508,000	763,000
Kentucky	358,000	537,000
Louisiana	311,000	467,000
Maine	136,000	203,000
Maryland	203,000	304,000
Massachusetts	409,000	613,000
Michigan	648,000	972,000
Minnesota	526,000	788,000
Mississippi	311,000	466,000
Missouri	598,000	898,000
Montana	261,000	392,000
Nebraska	348,000	523,000
Nevada	98,000	146,000
New Hampshire	98,000	146,000
New Jersey	389,000	584,000
New Mexico	168,000	251,000
New York	1,338,000	2,008,000
North Carolina	497,000	746,000
North Dakota	310,000	466,000
Ohio	835,000	1,252,000
Oklahoma	450,000	675,000
Oregon	226,000	340,000
Pennsylvania	1,131,000	1,696,000
Rhode Island	98,000	146,000
South Carolina	294,000	442,000
South Dakota	270,000	404,000
Tennessee	373,000	560,000
Texas	1,070,000	1,604,000
Utah	128,000	193,000
Vermont	98,000	146,000
Virginia	374,000	561,000
Washington	300,000	451,000
West Virginia	261,000	391,000
Wisconsin	488,000	733,000
Wyoming	133,000	199,000
District of Columbia	98,000	146,000
Hawaii	98,000	146,000
Puerto Rico	144,000	216,000
Administrative and engineering	500,000	750,000
Total	\$20,000,000	\$30,000,000

Communists Say Rail Wage Cut Is Threat to All Workers

Railroad employees and their wages were once again treated as "guinea pigs" in experimentation with national labor relations when the Communist party in the United States, at its tenth annual convention, in New York on May 30, cited the proposed 15 per cent in railroad wage scales as a "threat" to earnings of all workers. Further, a unanimous resolution calling for opposition by the entire American labor movement to wage cuts of any variety accused employers of "a sort of nibbling policy" and isolated the carriers' wage cut proposal as the most significant straw in the wind, declaring that if the railroad pay decrease is permitted to go through by labor, it will "mark the beginning of a wage-cut drive affecting all of the basic industries." In view of this, the resolution pled for "victory" in the fight against the carriers' proposal in the belief that such victory would do much to bring about unity in the American labor movement.

"Big Ditch" Has G. O. P. Friends

Culkin cites Hoover as "economist of orthodox school" who favors St. Lawrence

Secretary of State Cordell Hull's action in reviving Administration agitation for the St. Lawrence seaway has prompted various members of Congress to comment on the project and the proposed draft of a new treaty with Canada. Among the discussions was the opposition speech delivered in the House on June 1 by Representative Beiter of New York; the objections voiced on June 2 by Representative Andrews of New York to the failure to consider as a separate project the preservation of crests at Niagara Falls; and the extension of remarks inserted in the June 3 Congressional Record by Representative Culkin of New York, who called the proposal "the soundest navigational and power project in the United States, if not in the world."

Suggesting that "some facts relative to the situation may not be amiss," Mr. Beiter pointed out how "Persons of responsibility have declared the proposed seaway economically unjustified; they have asserted that it would impose upon the states of New York, Pennsylvania and Massachusetts burdensome expenses of construction; officials of water transportation have repeated that they would adhere to their earlier declarations that they would not use the completed seaway. . . ."

He went on to say that the seaway's advocates "have left no stone unturned to push the treaty since its defeat in the Senate . . . and have brought Western propagandists to Washington and to the St. Lawrence territory, circulating glib stories and giving out glowing interviews." This Mr. Beiter characterized as "an attempt to gloss over the real facts with glittering generalities of mythical benefits to be derived from this visionary dream." Yet "there remains one indubitable fact that should condemn the project at this time—it is not a necessity; and it will be difficult to explain an unnecessary expenditure of \$540,000,000 for this development to the American taxpayers."

Next, Mr. Beiter asserted that the seaway is desired by three groups: The patronage-seeking politicians, the Power Authority of the State of New York, and a portion of the Middle West "that has not awakened from a dream of expected savings to the grain trade by the seaway, which cannot materialize because of rapidly diminishing exports." He continued to quote from statements by Premier Hepburn of Ontario who sees no need for "another avenue of transportation" in view of Canada's "acute railroad problem" which is costing the taxpayer \$1,000,000 a week "to make up the deficit of the Canadian National Railways." In other words, the Ontario Premier is further quoted, "to build the seaway would be an unnecessary waste of money, which we cannot afford. The Hudson Bay Railroad was built on propaganda and it was a failure. Ontario

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Ashburn Reports Profitable Year

Federal barge line head says he has "saved shippers" 28 millions since 1924

The government-owned Inland Waterways Corporation reported for 1937 a consolidated net income of \$253,935, as compared with \$516,930 in 1936, according to the annual report of its president—Major General T. Q. Ashburn—to the Secretary of War. Despite this decrease in earnings which was "common with other agencies of transportation," the general asserts that "an analysis of the year's operations shows conclusively that there is a vital place in the general scheme of transportation for inland water transportation, and as our interior water arteries of commerce approach completion, so do the vast benefits to be derived from their utilization impress themselves upon a rapidly increasing portion of our population; manifesting itself in demands for extension of the services operated by the Inland Waterways Corporation."

In the latter connection Congress last year authorized the Corporation to operate on the Savannah river "under certain conditions"; and "the matter of determining the existence of such conditions is now under consideration" by the I. W. C. advisory board and board of managers. The pending bill authorizing the extension of services to the Cape Fear river and connecting waterways was passed over upon objection of Representative Rich of Pennsylvania at the June 6 call of the House of Representatives calendar.

To the foregoing net income, General Ashburn points out, there was added \$603,633 "actually collected for depreciation . . . so that the funds actually derived from operations amounted to \$857,568"; while "the total funds obtained during the year, including allocation of emergency relief funds to compensate for damages, collections on long term loans, and other minor items, amounted to \$1,011,748." The relief funds amounted to \$100,000, allocated to replace bridges of the Warrior River Terminal Company, an I. W. C. rail subsidiary, which bridges had been "rendered unsafe" by water backed up when the government improved a lock and dam—"a replacement of damaged property, such as would be made to any other railroad."

On December 31, 1937, the Corporation held government bonds, par value \$4,437,000, and had cash totaling \$668,194, exclusive of a working fund aggregating \$330,500 deposited in various banks throughout the country. Attention is called to the Corporation's recommendation to Congress that its capital stock authorized to be exchanged for Treasury funds be reduced from \$15,000,000 to \$12,000,000. Congress made the reduction; and General Ashburn thinks "this recommendation for the cancellation of an appropriation of government funds" is "unique in the annals of our government." He goes on to quote from the report of the certified public account-

ing firm which audited I. W. C. accounts, adding that "the achievement of such results under such unfavorable circumstances . . . furnishes indisputable proof of the success of water transportation." In virtually identical words had the general appraised the 1936 results, achieved "under the most unfavorable circumstances." The 1936 report was reviewed in the *Railway Age* of May 15, page 841.

The "unfavorable circumstances" in 1937 included unfavorable river conditions; the loss of the freight-rate surcharge; increased labor costs; and increased fuel costs. Most of the unfavorable river conditions, it appears, will be corrected with further public expenditures on pending projects. In this connection the completion of locks and dams between Rock Island and Alton will "partially obviate" the difficulty due to low water in the upper Mississippi; with the completion of locks and dams now under construction on the

(Continued on page 986)

March Has Deficit of \$28,212,429

Compares with a net income of \$24,888,844 for third 1937 month

Class I railroads reported a deficit, after fixed charges and other deductions, of \$28,212,429 in March, 1938, as compared with a March, 1937 net income of \$24,888,844, according to the Interstate Commerce Commission's monthly compilation of selected income and balance sheet items.

Ninety-five roads reported deficits for March 1938, and 38 reported net incomes; in March 1937, 43 reported deficits and 90 report net incomes. The consolidated statement showing the net income of roads having annual operating revenues above \$25,000,000 are given in the accompanying tables.

SELECTED INCOME AND BALANCE-SHEET ITEMS OF CLASS I STEAM RAILWAYS

Compiled from 136 Reports (Form IBS) Representing 141 Steam Railways
(Switching and Terminal Companies Not Included)

TOTALS FOR THE UNITED STATES (ALL REGIONS)

For the month of March			For the three months of	
1938	1937		1938	1937
Income Items				
\$14,470,445	\$69,881,245	1. Net railway operating income	\$19,276,657	\$147,514,806
10,572,306	10,741,794	2. Other income	33,753,375	34,010,157
25,042,751	80,623,039	3. Total income	53,030,032	181,524,963
2,120,643	1,865,565	4. Miscellaneous deductions from income	6,371,284	5,486,569
22,922,108	78,757,474	5. Income available for fixed charges	46,658,748	176,038,394
		6. Fixed charges:		
		6-01. Rent for leased roads	30,891,412	37,269,127
10,341,932	12,854,610	6-02. Interest deductions	118,323,412	119,578,154
39,564,855	39,772,940	6-03. Other deductions	656,070	692,167
215,177	233,340	6-04. Total fixed charges	149,870,894	157,539,448
50,121,964	52,860,890	7. Income after fixed charges	*103,212,146	18,498,946
*27,199,856	25,896,584	8. Contingent charges	3,037,720	3,108,220
1,012,573	1,007,740	9. Net income	*106,249,866	15,390,726
*28,212,429	24,888,844	10. Depreciation (Way and structures, and Equipment)	50,335,253	48,594,047
16,882,815	16,286,320	11. Federal income taxes	3,357,307	8,296,393
		12. Dividend appropriations:		
839,205	3,494,114	12-01. On common stock	17,116,088	22,994,429
		12-02. On preferred stock	3,733,201	4,009,648
842,500	2,876,075			
464,325	744,237			
Selected Asset Items				
13. Investments in stocks, bonds, etc., other than those of affiliated companies (Total, Account 707)			Balance at end of March	
			1938	1937
			\$659,289,982	\$687,333,752
14. Cash			\$310,483,107	\$501,350,601
15. Demand loans and deposits			7,903,202	8,651,743
16. Time drafts and deposits			27,403,272	42,940,265
17. Special deposits			73,442,175	205,596,677
18. Loans and bills receivable			6,713,968	11,861,653
19. Traffic and car-service balances receivable			52,915,940	73,493,667
20. Net balance receivable from agents and conductors			39,070,629	56,000,182
21. Miscellaneous accounts receivable			136,020,693	145,845,250
22. Materials and supplies			380,380,897	361,273,715
23. Interest and dividends receivable			22,960,524	24,777,263
24. Rents receivable			1,416,334	1,788,317
25. Other current assets			4,309,500	6,568,299
26. Total current assets (items 14 to 25)			\$1,063,020,241	\$1,440,147,632
Selected Liability Items				
27. Funded debt maturing within 6 months†.....			\$207,492,647	\$198,287,565
28. Loans and bills payable‡			\$238,867,417	\$211,168,510
29. Traffic and car-service balances payable.....			67,884,830	89,948,233
30. Audited accounts and wages payable			230,626,148	256,733,899
31. Miscellaneous accounts payable			72,749,447	124,094,952
32. Interest matured unpaid			711,175,728	577,478,867
33. Dividends matured unpaid.....			13,853,470	12,924,530
34. Funded debt matured unpaid			513,974,836	483,474,463
35. Unmatured dividends declared.....			839,031	1,818,835
36. Unmatured interest accrued			92,492,860	100,169,445
37. Unmatured rents accrued.....			29,548,409	30,102,437
38. Other current liabilities.....			21,193,110	26,680,971
39. Total current liabilities (items 28 to 38).....			\$1,993,205,286	\$1,914,595,142
40. Tax liability (Account 771):				
40-01. U. S. Government taxes			\$62,042,345	\$120,176,653
40-02. Other than U. S. Government taxes.....			145,648,692	132,224,828

† Includes payments which will become due on account of principal of long-term debt (other than that in Account 764, Funded debt matured unpaid) within six months after close of month of report.

‡ Includes obligations which mature not more than 2 years after date of issue.

* Deficit or other reverse items.

NET INCOME OF LARGE STEAM RAILWAYS WITH ANNUAL OPERATING REVENUES ABOVE \$25,000,000

(Switching and Terminal Companies Not Included)

Name of railway	Net income after deprec.		Net income before deprec.	
	For the three months of 1938	1937	For the three months of 1938	1937
Alton R. R.	\$596,887	\$26,285	\$506,031	\$114,165
Atchison, Topeka & Santa Fe Ry. System	5,466,033	1,047,073	2,509,188	3,853,374
Atlantic Coast Line R. R.	1,659,563	2,717,604	2,164,959	3,229,500
Baltimore & Ohio R. R.	7,473,822	29,419	5,642,760	1,836,835
Boston & Maine R. R.	1,588,054	495,703	1,182,586	894,248
Central of Georgia Ry.†	865,682	327,384	651,383	131,391
Central R. R. of New Jersey	962,924	675,597	607,693	312,571
Chesapeake & Ohio Ry.	2,602,427	8,366,450	4,680,463	10,419,128
Chicago & Eastern Illinois Ry.†	500,033	102,275	343,694	250,624
Chicago & North Western Ry.†	5,938,642	4,650,934	4,668,097	3,410,247
Chicago, Burlington & Quincy R. R.	1,728,056	1,182,611	470,547	2,380,353
Chicago Great Western R. R.†	761,417	380,824	626,926	249,840
Chicago, Milwaukee, St. Paul & Pacific R. R.†	5,929,591	3,803,043	4,507,154	2,452,806
Chicago, Rock Island & Pacific Ry.†	3,687,472	3,314,378	2,649,781	2,295,176
Chicago, St. Paul, Minneapolis & Omaha Ry.	867,223	1,097,392	719,891	949,230
Delaware & Hudson R. R.	705,119	70,716	442,909	196,067
Delaware, Lackawanna & Western R. R.	1,143,409	95,902	524,897	536,574
Denver & Rio Grande Western R. R.†	1,751,839	1,330,184	1,451,606	1,043,039
Elgin, Joliet & Eastern Ry.	370,067	545,911	118,931	767,003
Erie R. R. (including Chicago & Erie R. R.)‡	3,798,660	633,762	2,852,482	1,587,467
Grand Trunk Western R. R.	1,614,187	2,534	1,331,872	258,547
Great Northern Ry.	4,840,606	3,702,275	3,909,853	2,796,786
Illinois Central R. R.	549,509	1,048,635	1,065,723	543,217
Lehigh Valley R. R.	1,135,009	121,011	586,586	449,202
Long Island R. R.	872,477	891,063	579,266	597,963
Louisville & Nashville R. R.	992,591	1,651,165	83,699	2,702,308
Minneapolis, St. Paul & Sault Ste. Marie Ry.†	2,155,111	1,949,281	1,848,310	1,639,876
Missouri-Kansas-Texas Lines	1,266,756	367,342	939,706	71,731
Missouri Pacific R. R.†	4,514,616	2,319,265	3,411,120	1,227,597
New York Central R. R.†	10,196,338	5,295,094	6,181,215	9,294,793
New York, Chicago & St. Louis R. R.	1,011,663	965,953	585,557	1,370,537
New York, New Haven & Hartford R. R.†	3,597,412	659,285	2,754,330	197,813
Norfolk & Western Ry.	2,041,722	8,220,571	3,287,038	9,385,282
Northern Pacific Ry.	3,723,828	1,860,247	2,877,316	1,054,876
Pennsylvania R. R.	4,250,042	6,442,639	1,878,981	12,521,610
Pere Marquette Ry.	1,194,547	585,525	537,933	1,224,688
Pittsburgh & Lake Erie R. R.	2,209	1,001,647	564,205	1,429,907
Reading Co.	189,073	2,049,796	592,436	2,826,570
St. Louis-San Francisco Ry.†	3,820,326	2,047,416	3,039,295	1,260,504
St. Louis Southwestern Lines†	488,123	219,542	332,379	68,054
Seaboard Air Line Ry.†	1,540,846	315,096	1,031,930	157,966
Southern Ry.	2,548,703	1,506,977	1,781,899	2,294,848
Southern Pacific Transportation System||	7,916,028	794,843	5,837,852	2,777,528
Texas & Pacific Ry.	8,995	494,839	289,205	787,239
Union Pacific R. R. (including leased lines)	606,085	1,083,458	2,460,496	2,736,878
Wabash Ry.†	2,520,521	115,138	1,982,543	415,554
Yazoo & Mississippi Valley R. R.	187,136	78,113	49,371	199,092

† Report of receiver or receivers.

‡ Report of trustee or trustees.

§ Under trusteeship, Erie R. R. only.

|| Includes Atchison, Topeka & Santa Fe Ry., Gulf, Colorado & Santa Fe Ry. and Panhandle & Santa Fe Ry.

† Includes Boston & Albany, lessor to New York Central R. R.

|| Includes Southern Pacific Company, Texas & New Orleans R. R. and leased lines. The report contains the following information: "Income reported hereon excludes offsetting debits and credits for rent for leased roads and equipment and bond interest between companies included herein. Interest on bonds of, and rental income from, separately operated solely controlled affiliated companies, whether earned or not, are included in this statement, in order that such income credits will offset income debits reflected in the net deficit of such companies. Operations of all separately operated solely controlled affiliated companies resulted in a net deficit of \$2,002,584 for the three months ended March 31, 1938, and \$749,425 for the three months ended March 31, 1937, which is not reflected in this statement."

* Deficit.

Pension Tax Refunds

President Roosevelt has signed the bill authorizing the Secretary of the Treasury to refund to railroads taxes collected under the invalidated original pension act. Approximately \$138,000 is involved.

Proceedings Under Motor Act

The Interstate Commerce Commission has adopted special instructions governing proceedings under the Motor Carrier Act, which revise, supplement and correct the special instructions dated May 10, 1937. The new instructions are embodied in a May 31 notice issued by I. C. C. Secretary W. P. Bartel.

Sue for Allowances

Five industries in the Chicago area have filed suits in the federal district court at Chicago to collect from railroads, terminal allowances for car spotting services, which were set up in special accounts on the carriers' books pending the determination of litigation. These companies, The Inland Steel Company, the Acme Steel Company,

the Chicago By-Products Coke Company, the Interlake Iron Corporation and the American Steel Foundries, has asked the court to amend its recent decrees against them to provide for payment of these sums. As a result of three decisions in the United States Supreme Court, the district court at Chicago recently upheld the right of the Interstate Commerce Commission to issue orders restraining allowances to industries for car spotting services within their plants. The decrees of the district court at Chicago authorized the railroads to expunge the special accounts in which the terminal allowances were held and to transfer these funds into the general accounts. The industries contend the court has no authority to take this step and urge that the industries are entitled to the impounded allowances because the railroads had not withdrawn tariffs providing for such payments.

Pettengill Bill Passed Over

The Pettengill bill to repeal the long-and-short-haul clause of the Interstate Commerce Act's fourth section was passed

over at the request of Senator Truman of Missouri at the June 7 call of the Senate calendar. Senator Norris of Nebraska called attention to the fact that the bill's listing on the calendar contained no reference to the minority report in opposition filed by Senators Wheeler, Truman and Shipstead; and he asked that the calendar be corrected.

Wheeler Committee to Wind Up Work

The Senate has agreed to a resolution introduced by Senator Wheeler which would continue the activities of his subcommittee investigating the finances of the railroads for the duration of the Seventy-sixth Congress. The purpose of the resolution, according to Senator Wheeler, is to wind up the work which the committee has been doing during the past two years.

I. C. C. Motor Carrier Insurance Regulations

The Interstate Commerce Commission, Division 5, has decided to hold a hearing at Washington, D. C., on July 26 on proposals to suspend, modify or revoke Rule VIII of its regulations governing the filing and approval of insurance and other forms of security under section 215 of the Motor Carrier Act. The rule involved requires an underwriter to qualify in every state in which the insured operates.

Contract Carrier Permits

The Interstate Commerce Commission, Division 5, will hear oral arguments at Washington, D. C., on June 20 and 21 on various questions relating to the matter of specifying in contract-carrier permits the business of the carrier covered thereby and the scope thereof. The matter involves an interpretation of section 209(b) of the Motor Carrier Act as it relates to the foregoing. In ordering the hearing the commission stayed previous orders in connection with more than 80 contract carrier applications, which orders had specified the authority granted in the permit.

Motor Act Amendment

Senators Hayden of Arizona and Johnson of Colorado are proposing to amend the Motor Carrier Act by adding the following to section 216(g): "At any hearing involving a rate, fare or charge, or classification, rule, regulation, or practice, increased or sought to be increased after the date of the approval of this Act the burden of proof to show that the increased rate . . . or proposed increased rate . . . is just and reasonable shall be upon the carrier."

The Senators would incorporate the foregoing into S. 3606, the pending bill to amend the Motor Carrier Act in accordance with recommendations of the Interstate Commerce Commission.

Jersey Central to Run Unusual Rail Tour

The Central of New Jersey has scheduled a special scenic rail tour over little-used branch lines for Sunday, June 19, out of New York. Leaving the New York ferry terminal at 9:10 a. m., the party

will proceed from Jersey City, N. J., along the main line to Easton, Pa., thence along the Pennsylvania and the Lehigh & Hudson River to Andover junction, N. J., where connection will be made to the Lackawanna. At Lake junction the special will pass to the Wharton & Northern, proceed to Green Pond junction and return to Lake junction. There it will enter again on the tracks of the Jersey Central and return to New York via the High Bridge branch and the main line.

Bus Line, Two Railroads Ask 1½ Cents Fare in California

A petition for permission to establish a basic passenger fare of one and one-half cents a mile in intrastate service has been filed with the California Railroad Commission by the Southern Pacific, the Pacific Greyhound Lines and the Western Pacific. The proposed fare is designed to meet similar passenger fares granted the Santa Fe Transportation Company in May by the commission on co-ordinated rail and bus service over four routes in the state. The Southern Pacific is seeking to establish the reduced rate on its San Francisco-Los Angeles route; the Pacific Greyhound on lines which would be competitive with the Santa Fe; and the Western Pacific on its San Francisco-Stockton route.

Railroads Seek Increased Rates on Milk and Cream

The railroads have filed with the Interstate Commerce Commission a petition to increase rates on milk and cream in passenger-train service between points within Official and Southern territories and between Official territory points on the one hand and points in Western Trunk Line, Southern and Southwestern territories on the other. The petition proposes specific increases and changes in tariff provisions and practices, but suggests an alternative 10 per cent boost if the commission thinks the carriers' revenue needs should be met by a horizontal increase.

Excepted would be truck-competitive rates, specifically published and marked as such, and rates from milk sheds near major cities and serving the bulk of the milk supply for such cities.

State Commission Would Like to Mix the Strong with the Weak

The Pennsylvania Public Utility Commission, in announcing recently the completion of studies made on the Montour, the Cambria & Indiana and the Bessemer & Lake Erie, has indicated its concern over the fact that these roads are earning "considerably in excess of six per cent of any measure of value available to the Commission's Bureau of Accounts," and has recommended informally to the Interstate Commerce Commission that mergers be effected "whereby railroads earning in excess of six per cent could be placed in a position to aid those which are now operating at a loss, and thereby improve the general status of the carriers."

At the same time the state body admits that it does not possess authority to issue orders "which would make the companies establish rates to keep them within a six-

percent earning," since the carriers in question are engaged largely in interstate commerce.

Junior Traffic Club Has Unusual Program

The re-equipping of the Twentieth Century train of the New York Central and the Broadway Limited of the Pennsylvania was the subject for an unusual program arranged by the Junior Traffic Club of Chicago for its monthly meeting on June 2. Informal talks were made by engineers, conductors, dining car stewards and Pullman porters regularly assigned to these trains, concerning their duties and their experiences in handling the traveling public. F. H. Baird, passenger traffic manager of the New York Central, and C. E. McCullough, general passenger agent of the Pennsylvania, described the service of the new trains, while Harry Sherman, assistant general superintendent of the Pullman Company, told of the innovations of the new equipment of these trains, which will be placed in service on June 15.

Allegheny Board Announces June 16 Meeting

The Allegheny Regional Advisory Board will hold its 38th regular meeting on Thursday, June 16, at the Ohio hotel, Youngstown, Ohio. During the morning session, J. F. Chalfant, manager, Eastern Demurrage & Storage Bureau, New York, will talk on the "Application and Supervision of Demurrage and Storage Rules"; following his address there will be an open forum discussion of the subject. Important reports will be rendered on various special subjects, including dunnage on open top cars and legislative matters. A resume of the April "Perfect Shipping Month" campaign and the report on freight claim prevention will be given and progress in the simplification of tariffs will be explained. Carl R. Gray, Jr., executive vice-president of the Chicago, St. Paul, Minneapolis & Omaha, will be the guest speaker at the luncheon.

R. R. Supporters Offer Friendly Criticism

Letters to President Roosevelt, asking why he had not followed through on his much-publicized promise to do something of a constructive nature for the railroads and to Senator Wheeler, urging him to make good on his pledge to bring the Pettengill Bill to a vote before adjournment, were jointly signed and dispatched at last week's meeting of the Committee on Railroad Support in New York. The Committee, which is made up of friends of the railroad industry from outside its ranks, was encouraged by a letter from Senator Wagner, promising his support of the Pettengill Bill, if it came to a vote.

Discussing the topic of the meeting—passenger traffic—a number of suggestions were advanced. Better station signs, and more adequate station lighting at night; identification of conductors and trainmen by name, as other transportation companies' employees are identified to the public; objections to prolonged station-stops; extension of the "hostess" practice on

trains, and adoption of Pullman round-trip week-end rates were advocated.

The Committee found efforts to raise Eastern coach fares "unfortunate and likely to cause a net decrease in revenue." It voted to ask certain railroads to introduce tourist sleepers East of Chicago, for the benefit of potential railroad travelers who will not sit up in coaches and who cannot pay for standard Pullmans. It also sought information as to what efforts any railroad had made, in line with editorial suggestions in *Railway Age*, to persuade the unions to let branch-line trains operate with two- or three-man crews, especially on motor trains, as a means of retaining the train, and the branch-line, rather than have service suspended entirely because of excessive wage costs.

Guaranty Trust Asks Dismissal of Alleghany Suit

The Guaranty Trust Company has petitioned the United States Circuit Court of Appeals to dismiss a suit brought by the Alleghany Corporation, a Chesapeake & Ohio holding company, to restrain the bank from voting 1,278,000 shares of Chesapeake Corporation stock which it holds as collateral from Alleghany under certain bond indentures. In filing for dismissal, Guaranty's counsel claimed that the case becomes moot by reason of the decline in the value of the collateral below 150 per cent of the face value of the bonds, which ratio is the minimum under which Alleghany has the right to vote the collateral. At the last appraisal date, May 2, the value of the stocks held as collateral was about 98 per cent of face value of the bonds, and, it is claimed, has now declined still further to about 90 per cent. The court reserved decision.

B. & O. to Appeal Maryland Tax Levy

The Maryland State Tax Commission is once again seeking to collect taxes from the Baltimore & Ohio on its rolling stock in the state, in spite of a perpetual exemption clause which was written into the road's charter over a century ago. This time the final assessment has been set at \$4,318,709, which allegedly applies to additions to the property not covered by the original charter. The road will take appeal in the courts.

State and municipal governments have attempted to collect exempted taxes from the road at various intervals during the past 90 years. The first move was initiated by the city of Baltimore in 1848, which ended in a decision by the Court of Appeals to the effect that B. & O. rolling stock was not taxable in the state. In each successive case a similar decision has been rendered.

L. H. Brown Appointed Chairman of Management Congress Committee

L. H. Brown, president of the Johns-Manville Corporation, has been appointed chairman of the Commerce and Industry committee of the Seventh International Management Congress to be held in Washington, D. C., September 19 to 23, as previously announced in the *Railway Age*

of March 26, page 583. The membership of the Commerce and Industry committee includes: C. E. Stephens, vice-president, Westinghouse Electric & Manufacturing Company and vice-chairman of the committee; W. L. Batt, president, SKF Industries of Philadelphia, Pa.; S. Crocker, vice-president, International General Electric Company; W. C. Dickerman, president, American Locomotive Company; H. W. Dodge, vice-president, Texas Company; R. M. Gates, vice-president, Superheater Company; W. A. Harriman, chairman, Union Pacific; and A. W. Robertson, chairman, Westinghouse Electric & Manufacturing Company.

Central of Georgia Bus Route

Joint Board No. 101, composed of Walter R. McDonald of Georgia, has recommended in a proposed report that the Interstate Commerce Commission grant the Central of Georgia Motor Transport Company, affiliate of the Central of Georgia, a common-carrier bus certificate for operations between Barnesville, Ga., and Thomaston. The Central of Georgia operates its branch between Barnesville and Thomaston as a freight line, and it is proposed to conduct the supplementary bus service to accommodate passengers, in addition to caring for the transportation of mail and express.

Carriers Allow Direct Unloading of Export Fruit at New York

Fresh fruit in straight or mixed carloads in refrigerator cars for export in New York harbor may be delivered to ship side on car floats under conditions and rates applicable to lighterage, effective June 1, by reason of a decision of the Joint Steamship and Railroad Committee of the Maritime Association of the Port of New York, which met on May 24. This privilege applies to all fresh fruit other than cold packed, but will not apply to split carloads or cars that have been unloaded on request of consignee for inspection or any other purpose. This arrangement is already in effect in Portland, Me., Boston, Mass., Philadelphia, Pa., Baltimore, Md., Norfolk, Va., and Newport News, according to the Maritime Association.

The Joint Steamship and Railroad Committee also recommended resolutions in favor of the Senate bill 3876, providing for the elimination of the so-called "land grant" railroad rates.

Seek Increased Express Rates

The Railway Express Agency and the Southeastern Express Company (about to be absorbed by R. E. A.) have filed with the Interstate Commerce Commission a petition for a readjustment of the express-rate structure which would produce an additional \$5,000,000 a year in revenue on the basis of present business. That figure is expected to be the net result of the proposed adjustment which involves both increases and decreases. Meanwhile additional business is expected to result from the latter.

The petition cites increases in expenses since 1936, amounting to \$10,434,500 a year in support of the application. Also,

an exhibit shows operating results over the 15-year period, 1923-37. This indicates that between 1923 and 1929 the express companies were able to pay the rail carriers an average of \$148,782,000 a year or 49.9 per cent of express revenues; whereas in 1936 such payments amounted to only \$63,963,600 or 39.8 per cent of express revenues, and in 1937 to \$57,851,900 or 35.07 per cent.

904,897 Rail Employees in May

Railway employment had fallen to 904,897 by the middle of May, a drop of 0.9 per cent as compared with the mid-April figure of 913,070 and of 21.57 per cent as compared with May, 1937, according to the Interstate Commerce Commission's compilation, based on preliminary reports. The index number, based on the 1923-1925 average as 100 and corrected for seasonal variation stood at 50.1 in May as compared with 51.5 in April and 63.8 in May, 1937; and it was lower than any monthly index number in 1933, which a footnote on the I. C. C. statements says was the "previous year of lowest employment since 1920."

Employment in all groups except maintenance of way and structures (up 5.7 per cent) was down from April while all were down from May, 1937, the largest drop in both connections being in the maintenance of equipment and stores forces—off 3.55 per cent from April and 30.86 per cent from May, 1937. Maintenance of way and structures forces were 28.75 per cent under last year. Train and engine service employment was off 2.85 per cent as compared with the previous month and 18.33 per cent as compared with May, 1937.

Pennsylvania Greyhound Gets Bus Certificates

The Interstate Commerce Commission, Division 5, has granted to the Pennsylvania Greyhound Lines, affiliate of the Pennsylvania, common carrier bus certificates for operations over five routes between specified points in New Jersey, Pennsylvania, Maryland and Ohio. Two of the routes are alternates to sections of Pennsylvania Greyhound's present New York-Chicago route, and will permit expedited through service on the latter. Two others are alternates to sections of the present route between Wilkes-Barre, Pa., and Scranton, and Philadelphia, and will provide a more direct service. The fifth is the train-substitution route which Greyhound operates between Camp Meade, Md., and Odenton under a guarantee arrangement with the Pennsylvania.

In the latter connection the commission observed that the payments by the railroad "appear to be in lieu of specific divisions of joint rates which applicant would otherwise receive and are subject to our review in an appropriate proceeding." Thus the present findings "are not to be deemed an approval of any such agreement or arrangement."

The Canadian Roads in May

Gross revenues of the Canadian Pacific for April show a decrease of \$1,456,409 from the corresponding period of 1937. Gross revenues were \$10,413,609, as com-

pared with \$11,870,019 a year ago. Operating expenses were \$9,914,057, resulting in net operating revenues for the period of \$499,551, as compared with \$1,848,410 a year ago. For the four months to April 30 gross dropped \$2,957,137 under a year ago, standing at \$40,579,963, against \$43,537,100, while net totaled \$1,747,501, as compared with \$5,490,823 a year ago, a decrease of \$3,743,321.

Operating revenues of the Canadian National in April declined \$3,131,743 under the same period of 1937, amounting to \$13,924,655 against \$17,056,398, while a net operating loss for the period is shown at \$699,132, as compared with a net revenue of \$2,249,015 a year ago. Operating expenses for the period showed a slight drop, amounting to \$14,623,787 against \$14,807,383. For the four months to the end of April operating revenues showed a drop of \$6,885,950, totaling \$55,147,637, against \$62,033,587 in the same period of 1937. Net operating deficit for the four months was \$4,430,786, as compared with net revenue of \$4,566,511 a year ago.

Seeks Certificate for High-Speed Pittsburgh-Harrisburg Line

A "high-speed Diesel-electric" railroad between Pittsburgh, Pa., and Harrisburg, making use of the right-of-way and tunnels of the old South Penn Railroad Company, is projected in an application for a certificate of public convenience and necessity filed with the Interstate Commerce Commission last week by Roy Greene, an independent consulting engineer, of Pittsburgh. The applicant stated that he was acting "as an individual to protect the public interest." He has no affiliation with the owners of the South Penn properties, and it is immaterial to him who operates the proposed service; he suggests financing with a Reconstruction Finance Corporation loan if private funds are not forthcoming.

Although not now incorporated the applicant suggests that the new road might be called "The Pittsburgh & Harrisburg Short Line Railroad Company." It would be designed "to fully and adequately meet the stringent requirements of today, and of tomorrow. We must go ahead, we cannot go back!" The application goes on to speak of the "dangerous crowding of motor highways," adding that the proposed road would "relieve congestion and make travel safer and faster for those persons driving their own motor vehicles."

Reading Issues Large Posters of Equipment Photographs

Better to comply with numerous requests received each year for photographs of old railroad rolling stock and for picture series portraying the evolution of railroad transportation, the Reading has prepared a stock of large 22-in. by 28-in. white posters containing reprints of 23 photographs of prototypes of the various stages in a three-century march of transport and entitled "Progress in Transportation; 1638-1938." The earlier stages are brought out by old prints and paintings of sailing ships, horse caravans, canal packets and "Conestoga" freight wagons, while steam railroad development is illustrated by early Philadel-

phia, Pa., locomotives and interesting locomotive types operated by the Reading since its inception. Among the latter are included cuts of one of the early "camel-backs" and a high-speed "Atlantic" type of the class which hauled the early Atlantic City (N. J.)-Camden "Sixty-Minute Expresses." Included also are photographs of present-day Reading equipment such as the streamlined, stainless steel "Crusader," electric multiple-unit cars in Philadelphia suburban service, and a motor coach and freight truck of the Reading Central Transportation Company. A caption underlies each cut which explains in simple fashion the significance of the equipment illustrated and its place in the transportation set-up.

Freight Car Loadings

Loading of revenue freight for the week ended May 28 totaled 562,061 cars, an increase of 16,253 cars or three per cent above the preceding week, but a decrease of 228,442 cars or 28.9 per cent below the corresponding week in 1937 and a decrease of 367,545 cars or 39.5 per cent below the same week in 1930. All commodity classifications except live stock showed increases over the preceding week while all commodity classifications except grain showed decreases under last year. The summary, as compiled by the Car Service Division, Association of American Railroads, follows:

Revenue Freight Car Loading			
For Week Ended Saturday, May 28			
Districts	1938	1937	1936
Eastern	124,577	172,076	144,641
Allegheny	102,781	167,301	133,765
Poconos	36,588	50,951	46,771
Southern	84,343	106,553	92,095
Northwestern	77,044	132,133	99,091
Central Western	92,628	107,519	85,208
Southwestern	44,100	53,970	45,241
Total Western Districts	213,772	293,622	229,540
Total All Roads	562,061	790,503	646,812
Commodities			
Grain and Grain Products	33,344	27,262	29,721
Live Stock	12,050	12,578	10,343
Coal	98,073	123,024	114,022
Coke	4,375	10,597	9,078
Forest Products	26,841	42,478	31,155
Ore	20,431	77,175	44,655
Merchandise l.c.l.	148,525	171,311	144,988
Miscellaneous	218,422	326,078	262,850
May 28	562,061	790,503	646,812
May 21	545,808	775,074	683,590
May 14	541,813	769,560	681,408
May 7	536,140	763,495	668,866
April 30	543,075	777,827	670,888

Cumulative Total,
21 Weeks ...11,470,454 15,275,610 13,263,226

In Canada.—Car loadings for the week ended May 28 totaled 40,445, as against 44,240 for the corresponding week last year (both weeks contained a holiday) and 44,941 for the previous week, according to the statement of the Dominion Bureau of Statistics.

	Total Cars Loaded	Total Cars Rec'd from Connections
Total for Canada:		
May 28, 1938	40,455	19,591
May 21, 1938	44,941	20,511
May 14, 1938	45,568	19,796
May 29, 1937	44,240	27,142

Cumulative Totals for Canada:		
May 28, 1938	927,095	452,099
May 29, 1937	993,982	597,740
May 23, 1936	901,934	497,573

To Complete Montreal Station?

The Canadian Parliament, or the Canadian taxpayers, are being asked to vote

\$42,000,000 to meet an anticipated deficit of that amount from the operation of the Canadian National during the present calendar year. This was disclosed in the supplementary estimates for the current fiscal year of government and which were tabled in the House at Ottawa last week by Finance Minister Charles Dunning. This anticipated deficit for the present year is exactly the same amount as the actual deficit for the calendar year 1937.

In addition to this amount Parliament is asked to vote \$327,000 for deficit on operation of the railway's car ferry between the mainland and Prince Edward Island, also \$830,000 as deficit on the Trans-Canada Air Lines for the current year. This enterprise is wholly owned by the Canadian National.

Another item in these estimates is an additional sum of \$1,000,000 for elimination of grade crossings, and it is believed some of this will be used in the Bonaventure station area of Montreal.

It is also shown that Parliament is voting \$500,000 to help in preliminary work on the delayed Canadian National station in Montreal. It is understood a further sum of about \$700,000 will be appropriated by the railway itself so that in the current fiscal year over \$1,000,000 will be spent in preliminary work on the long unfinished station to be located in the large excavation completed just north of Lagachetiere street. It is expected the whole cost of the project will be about \$8,000,000. The concrete viaduct connecting this with the Victoria Bridge across the River St. Lawrence and finished five or six years ago will undergo some reconditioning.

Perfect Shipping Campaign Effective

The campaign to bring about improved methods of shipping, conducted by the National Association of Regional Advisory Boards during April, has been effective, according to a preliminary report covering the results of the campaign. "To what extent", the report states, "shippers' packing, marking and loading practices actually were improved, cannot be estimated. We, nevertheless, know that interest in these matters was greatly accelerated over the entire country, that a great many shippers whose packing may not be all that it should be were made conscious of the fact that their customers may be subjected to constant annoyance by bad-order deliveries, resulting in possible loss of accounts. The effect of the campaign was also reflected among the railways and Railway Express, Inc., in improved service.

"The campaign was more efficiently organized by the Board committees this year than last, many having a 'spiderweb' of sub-committees in the large cities. A much more thorough distribution of literature was made to smaller firms, both manufacturers and dealers, who really are responsible, proportionately, for a much larger share of claims than the large corporations.

"Trade associations took a much more active part, those having headquarter offices in Chicago distributing about 12,000 sets of circulars, mostly at their own expense. Large companies like Montgomery

Ward & Co., Inc., Sears Roebuck & Co., and Butler Bros., issued their own campaign posters and circulars, used a special form of inquiry to customers and discussed the importance of proper packing with their buyers.

"Important publicity was given by the National Retail Dry Goods Association, the National Retail Furniture Association, the National-American Wholesale Grocers Association and several furniture manufacturers' associations. Assistance also was received from the Department of Commerce, the Chamber of Commerce, and trade associations which made extensive reference to perfect shipping in their publications."

Drew Discusses the Railroad Problem

Representative Drew of Pennsylvania has inserted in the Congressional Record for June 6, as an extension of his remarks, a radio address delivered on June 3, in which he discussed, briefly the financial plight of the nation's railroads and explained the purposes of his recently-introduced bill, H. R. 10651, which was reviewed in the *Railway Age* for May 21, page 881. After telling his radio audience that "The financial plight of the railroads of the United States demands immediate and drastic action", the Pennsylvania representative went on to say that in his judgment unless constructive steps are taken immediately to correct the situation, the federal government will be forced to take over the carriers and that once they are taken over, the ownership will not be recalled.

Representative Drew then cited figures to show that 96 roads are in the hands of receivers or trustees and that these roads have 77,153 miles of trackage or 30.51 per cent of the total rail mileage of the country. "Other roads," he said, "not now in the hands of receivers, will soon be there unless relief is granted." Pointing out that rail labor had a real stake in the situation, he asserted that in July, 1937, 1,174,000 employees were in the employ of the railroads while today the number is only 913,000, a reduction of 263,000 in 10 months.

It was Mr. Drew's contention that a good starting point in solving the present depression would be to solve the railroad problem. Knowing the concern of House leaders over the railroad situation, he introduced his bill which, he hoped, "would pave the way to better things." Discussing the surcharge to be levied by the bill, Mr. Drew likened it to a tax on gasoline which is used to build and maintain highways. He went on to say that the cash collected from this surcharge would be maintained as a separate item and would be paid by the roads to the Secretary of the Treasury, who would be the custodian for the roads. Out of this fund could come funds to be used as emergency loans to needy roads. It was Mr. Drew's belief that "in time this fund would all go back to the railroads earning it, and thus the roads could 'eat their cake and have it, too'."

Mr. Drew also told his radio audience that he was confident that railroad labor

and management would be able to iron out their differences over wages and thus avoid the necessity of a strike.

I. C. C. Grants Southern Petition to Join R. E. A.

The Interstate Commerce Commission, on June 2, issued an order authorizing the Southern, the Mobile & Ohio and several short-lines to sever their connection with the Southeastern Express Company and to enter into a pooling arrangement with the Railway Express Agency. By its order the commission approved an agreement which will, in a short time, result in the dissolution of the Southeastern and the assumption of all express business in the United States by the Railway Express Agency.

Under the present plans, the Southern and the other carriers participating in the agreement, will give the Southeastern Express 30 days' notice of the termination of their existing contracts. Then the Southeastern will sell all its equipment to the Southern which will in turn dispose of it to the Railway Express Agency. The Southern will pay \$1,000,000 for the equipment, thus returning to the Southeastern the amount of its outstanding capital stock, but the Railway Express Agency will appraise the equipment and not pay the full \$1,000,000 for it. According to testimony given at the recent hearing on the application, upon payment of the \$1,000,000 to the Southeastern by the Southern, the former company will be dissolved under the laws of Alabama.

Commissioner Caskie wrote the decision approving the merger, pointing out that the resulting arrangement would be more economical in that one company would now handle all the express business of the country and that there would be less unloading of bundles and shifting and rerouting of cars.

Commissioner Porter concurred in the decision, but said that he could not go along with two statements of law contained in the report. His first objection was to Commissioner Caskie's dictum that the commission had no jurisdiction in the proceeding in respect to the prayer of the Order of Railway Telegraphers that the commission require the Railway Express Agency to continue in effect the existing contract between it and the Southeastern Express relative to rates of pay and rules governing employment. Commissioner Porter then quoted the statute which says that the poolings of earnings may be made "upon such terms and conditions, as shall be found by the commission to be just and reasonable in the premises." "Under this provision of law," the commissioner continued, "it is my opinion that we have a right, and probably should exercise it in this case, to require that the contract of employment of labor be protected by the purchasing company."

Commissioner Porter also did not think that the statutory requirement of Section 5(1) for the assent of all carriers involved "can be regarded as met by assent so long in advance and as to an expansion of the 'pooling' to include additional carriers which was not then really in immediate prospect." He went on to say that

the statement made in the report that "all applicants have assented to the proposed arrangements" seems to be "bottomed upon the fact that an article of the Railway Express Agency operating agreement entered into by the carriers now owning that agency contemplated that other lines of railroad located in certain defined groups may in the future contract with the Railway Express Agency to enter said group."

Harriman Safety Medals Awarded

(Continued from page 978)

of the Equitable Life Assurance Society and secretary of the award committee.

The gold medal was accepted for the New York Central System by its president, F. E. Williamson. The award read as follows: The New York Central System had the lowest total weighted casualty rate of any of the 35 Class I railroads listed in this group in 1937. The 120,993,000 locomotive-miles operated by it during the year 1937 was the greatest exposure ever to receive the gold medal under the Harriman plan of award. Five units of the system in 14 consecutive years operated a total of 43,474,596,000 passenger-miles without a passenger fatality in a train accident; this is the best record to date.

The certificate of commendation to the Southern System was received by President E. E. Norris, the award being made in recognition of its high standard of safe transportation.

Norman B. Pitcairn, president and receiver of the Ann Arbor, accepted the silver medal for that road, which also received honorable mention in 1927 and won the silver medal in 1931.

The bronze medal awarded to the Nevada Northern Railway Company in Group C was accepted by E. S. MacWhinney, secretary of that road. This is the third bronze medal to be won by the Nevada Northern—1929, 1934 and 1937. The I. C. C. records for that road indicate 14 consecutive years without an employee fatality and 17 consecutive years without a passenger killed or injured.

A guest of honor at the luncheon was Frederick D. Underwood, formerly president of the Erie Railroad and long associated with Mr. Harriman. The award was founded by the late Mrs. Mary W. Harriman in memory of her husband, Edward H. Harriman, to stimulate a direct effort for the conservation of human life, and is being carried on by her sons, W. A. Harriman and E. R. Harriman. The members of the award committee, in addition to Messrs. Cortelyou, Underwood and Palmer, are Charles M. Schwab; Frank McManamy, Interstate Commerce Commissioner; Samuel O. Dunn, editor of the *Railway Age*; and Albert A. Hopkins (ex-officio).

Carriers Reply to Earle on Wage Reduction

Chief executives of carriers operating in the state of Pennsylvania, in individual replies to a telegram of Governor George

H. Earle requesting that each road cancel its proposed 15 per cent wage cut for employees, have, without exception, signified their intention to stick by the wage reduction proposal made by the national body of carriers and have undertaken to explain to the governor the reasons underlying their refusal to comply with his request. Five of the executives declared that a rate reduction would enable them to employ more men while three cited the Governor's own opposition to coal rate increases as a contributing factor to the carriers' financial plight.

J. M. Davis, president, Delaware, Lackawanna & Western, declared that if the 15 per cent wage reduction were in effect at the present time his road could place over 2,500 additional employees on its payrolls, a large proportion of which would be Pennsylvania residents. President Williamson of the New York Central and the Pittsburgh & Lake Erie also pointed out that the hope of re-employment of furloughed men and the resumption of buying by the roads lies in the reduction of wages and added that he was "strongly of the view that a reduction in rates of railway wages will best serve the rank and file of our employees as well as the whole industry." He also reminded Governor Earle that he and the lieutenant governor of Pennsylvania appeared in opposition to any increase in the bituminous coal rates in the recent proceeding before the Interstate Commerce Commission and that the Pennsylvania Public Service Commission denied for intrastate shipments even "the small increase" in anthracite rates allowed by the I. C. C. The transportation of coal, he went on to say, constitutes a substantial share of the freight traffic of the carriers operating within Pennsylvania.

D. J. Kerr, president, Lehigh Valley, also cited the refusal of the Pennsylvania utility commission to allow increases on anthracite coal, the Valley's principal commodity. It was his opinion "that the bankruptcy of Pennsylvania's solvent railroads will be fraught with far greater economic and social dangers that are involved in a reasonable decrease in railroad wages." In this connection Mr. Kerr pointed out that the bankruptcy of his road would mean a loss to the state of \$400,000 per year in corporate loans tax alone.

President E. W. Scheer of the Reading and the Central of New Jersey averred a reduction of wages would enable the Reading and the Central to return to service a large number of shopmen and section laborers now furloughed and to increase the hours of service of workers now on part time. Mr. Scheer's telegram also pointed out that the wage reduction proposal was deemed necessary only "as a last resort."

F. E. Lyford, trustee of the New York, Ontario & Western, emphasized the condition of his road in the first paragraph of his reply when he informed the governor that his telegram, which had been addressed to E. G. Buckland, president of the road, "has been referred to me as trustee of this bankrupt property." Pointing out that the Ontario does not now earn enough to pay state or local taxes nor to employ "as many men as it could if our

high wage scales were reduced," Mr. Lyford declared, "There is no question but that this 15 per cent wage reduction would go a long way toward remedying our present inability to meet our taxes and would be helpful in giving more employment to our men." He too cited the refusal of the state utility commission to allow rate changes on anthracite coal, the principal commodity carried by the N. Y. O. & W.

Daniel Willard, president of the Baltimore & Ohio, while he "deplored" the circumstances which made necessary the wage reduction step taken by the Association of American Railroads, was of the opinion that a wage concession, "until such time as traffic and revenues are more nearly normal, would tend to stabilize employment and to some extent to lessen the effect of the depression." He also reminded the governor that the question reaches beyond state lines and must be handled by the railroads as a whole.

M. W. Clement, president of the Pennsylvania, replied: "It is my considered judgment that the economic consequences to the people of this Commonwealth will be more serious if the railroads abandon this effort to secure a reduction in wages of their employees than if they proceed with it." He added that while he regretted the action, there seemed to be "no practical alternative." J. H. Nuelle, president of the Delaware & Hudson, joined with other executives in the certainty that the proposed wage reduction would result in increased employment.

The telegram which Governor Earle had sent to the heads of the carriers operating in his state read as follows: "Proposed cut of fifteen per cent in railroad wages will accelerate greatly the already dangerous downward spiral of deflation. Most of the men are already on part time. A cut of fifteen per cent in wages will be fraught with the gravest economic and social dangers. Strongly urge you for good of Commonwealth of Pennsylvania to cancel this proposed fifteen per cent cut."

Ashburn Reports Profitable Year

(Continued from page 980)

Illinois river "the depth of water will be sufficient to float the tows but under the most unhealthful, dangerous and disagreeable conditions"; while "it is hoped that with the completion and operation of the Fort Peck dam and reservoir there will be plenty of water in the Missouri next fall." Meanwhile conditions on the Warrior river "were normal during the year with the usual floods in the spring and periods of low water during the summer months."

Despite these "navigational difficulties" the Corporation in 1937 handled "the largest tonnage in its history, 2,109,854 tons as compared with 1,856,514 in 1936, an increase of 253,340 tons, with a saving to the shippers of \$2,215,000, which makes the aggregate saving to the shippers on traffic handled by the Federal Barge Lines \$28,412,000 since 1924, a sizeable return,

and more than the total assets of the Corporation."

New equipment completed during the year or under construction at the time the report was prepared was expected to cost over \$3,000,000, all of which expenditures "have been, or will be, made from funds accumulated through operations, and have required no appropriations." The new equipment includes two new floating derricks, three towboats and 20 barges.

In his discussion of traffic General Ashburn speaks of the competitive situation which has brought a number of subnormal rates. He sees a desire on the part of the rail lines to co-operate in correcting this situation, but "a very decided hesitancy on the part of any line to take the initiative for fear of being the first victim of public censure by shippers affected." Meanwhile the Corporation's advance bookings in the spring of this year made the prospects "very good for a heavy bulk movement during the first half." Commenting on wages and costs of labor the report complains of the attitude which finds expression in the statement: "Oh, well, the Federal Barge Lines are making money, and others are not—why shouldn't they pay higher wages?" This attitude, the general explains, "neglects the corollary that the wage scale set by the Federal Barge Lines becomes the measuring stick for other employees in similar occupations, with other transportation agencies."

General Ashburn is quite proud of results on the Warrior River System where the Corporation's railway subsidiary operates its 19.2-mile line between Port Birmingham, Ala., and Ensley. The railroad, purchased for \$500,000 in 1926, has paid dividends of \$275,000 and "still had an earned surplus of \$185,628 at December 31, 1937." This showing demonstrates to the general at least that "the Warrior River Terminal Company has at last justified itself and will continue to do so increasingly in the future." Previously the report had told how the government had last year completed Warrior river lock improvements which permit the Corporation to tap new sources of coal traffic.

The separate report of the secretary-treasurer is published in an appendix. Among other things it refers to an Interstate Commerce Commission ruling requiring the Corporation to eliminate from its accounts "certain expenses previously included in operating costs, which were not paid from corporation funds, but were settled by direct appropriation to other government departments." Thus the secretary-treasurer sets up a table of expenses "which a privately-owned carrier would pay" but which I. W. C. eliminated from its 1937 accounts in accordance with the I. C. C. ruling. The tabulation follows:

Salary of the president, Inland Waterways Corporation	\$9,700
Personal injury claims	21,283
Postage (based upon actual test)	35,000
Rent of executive office, Washington ..	3,850
Difference between commercial and government rates on telegrams	12,500
	<hr/> \$82,333

The secretary-treasurer goes on to say that while private water carriers are not subject to taxes on their floating equip-

ment, they do pay taxes on their terminal facilities. Because of the variety of the local rates on the latter and the lack of definite information, however, I. W. C. omitted an estimate of taxes it might pay if it were privately owned.

Votes to Report Unemployment Insurance Bill

The House of Representatives committee on interstate and foreign commerce voted on June 8 to make a favorable report on railroad labor's unemployment insurance bill—H. R. 10127. The only committee amendment was that eliminating the provision which would have authorized the railroads to furnish free transportation to members and employees of the Railroad Retirement Board, the agency to which the administration of the unemployment insurance plan would be assigned.

House committee hearings on the measure were concluded at the end of last week while Senate interstate commerce committee hearings on S.3772, a similar bill, were expected to close on June 9 with the summary statements of Charles M. Hay and R. V. Fletcher, respectively counsel for the Railway Labor Executives' Association and vice-president and general counsel of the Association of American Railroads. Both labor and the carriers made substantially the same showings before the Senate committee as they had previously made at the House hearings.

Testimony at the latter's sessions subsequent to those reported in last week's issue included the conclusion of Dr. Julius H. Parmelee's statement, and presentations of R. L. Ettenger, Jr., assistant to the A. A. R. vice-president in charge of accounting, and Andrew E. Lawler, general auditor of the Illinois Central. Murray W. Latimer, chairman of the Railroad Retirement Board also appeared to present data on the cost of the benefits and of the administration of the plan set up in the bill; he took no position either for or against enactment. The railroad case in opposition was closed with the statement of J. M. Souby, assistant general counsel of the A. A. R., while Mr. Hay summed up for labor.

Mr. Souby thought that the committee was left in no doubt that the proposed bill would not do—even assuming that there should be a separate set-up for railroad employees. On the latter point, he did not know what the final attitude of the railroads may be, but he objected to labor's attempt to push a "rush bill that nobody knows much about" through in the "late stages of a busy congress." The most serious aspect to the railroads, Mr. Souby went on, is whether or not they can secure any protection against double or multiple taxation. They do not see such protection in H. R. 10127, and fear that, while supporting their own national system, they may be called upon to continue supporting state systems. Mr. Souby questioned whether congress could guarantee the necessary protection, suggesting that saving the railroads from a payroll tax would not render them immune from any general taxes which states might levy to support their unemployment insurance systems.

Mr. Hay objected to the idea of waiting,

adding that such was always management's plea whenever legislation of this kind was under consideration.

Meanwhile several members of congress have extended their remarks in appendices to recent issues of the Congressional Record with essays in support of the plan. These include Representatives Zimmerman and Anderson of Missouri, and Houston of Kansas.

"Big Ditch" Has G. O. P. Friends

(Continued from page 979)

will not approve of any such scheme for the St. Lawrence."

Representative Beiter sees in Mr. Hepburn's statement "no suggestion that the Canadian government will yield in this matter" and withdraw "objections previously declared" to the treaty. Also, he points out that "the Canadian railroad situation is no more acute than that facing our own rails. The seaway would not merely add to their troubles; it would mean ruination for what was once one of America's thriving industries."

Mr. Andrews' complaint about the failure to segregate the proposed work at Niagara was stated briefly as he proceeded to insert in the Congressional Record letters which he had received on the matter from President Roosevelt and Premier Hepburn. The President was sure that a review of all factors involved would convince Mr. Andrews that "a piecemeal approach to settlement of the questions involved in joint use of the Great Lakes-St. Lawrence basin would not serve the ultimate interests of either the United States or Canada." Premier Hepburn, however, referred to specific works in which Ontario was interested, but which it could not separate "from the general scheme known as the St. Lawrence Waterways."

The Ontario Premier concluded this letter to Mr. Andrews with the following: "In our country we have untold millions invested in our railway systems which today are operating at a loss of approximately \$1,000,000 per week. Being thus involved it does not seem economically sound to create another avenue of transportation when we are losing in the manner referred to, nor is there any need for further power development, in as much as we have a tremendous surplus and are seeking at this moment the right to export to the United States."

In Representative Culkin's opinion the St. Lawrence seaway would "lessen the economic handicaps of adverse transportation costs to the vast area in the interior of the American continent" without doing violence "to any other type of transportation." In the latter connection he explains that the resulting development of the Great Lakes area would be such that "railroad tonnage will increase and more employment will be given to the railroad employees." The New Yorker cited the support which the project got from former President Hoover—"an economist of the orthodox school;" and in President Roose-

velt's message of January 10, 1934—"a definite challenge to the national spirit." In all Mr. Culkin finds that "Four Presidents have gone on record favoring this development in the interests of a greater America." He regards Secretary Hull's letter as giving the whole subject of the seaway "a new, and I trust a final impetus."

Equipment and Supplies

Pennsylvania Authorizes Purchase of Equipment to Cost \$8,315,000

The Pennsylvania has authorized the construction of 1,000 gondola cars, 8 special type cars for freight service and 20 electric passenger locomotives, at a cost of about \$8,315,000. An announcement of M. W. Clement, president of the railroad, says that this work is being undertaken to provide additional work for railroad employees at the Altoona, Pa., shops, to promote greater efficiency in transportation service to shippers and passengers and to improve the economical operation of the railroad. The gondola cars will be 52½ ft. long and of 70 tons' capacity, while the 8 special type freight cars will include 6 well cars of 120 tons' capacity and 2 flat cars of 200 tons' capacity. The 20 locomotives will be of the Pennsylvania's streamlined GG-1 type, especially designed for high-speed electric passenger service between New York, Philadelphia, Pa., Baltimore, Md., Washington, D. C., and Harrisburg, Pa. All of the freight cars and the chassis of the locomotives will be built in the railroad's Altoona shops, and this work will provide more than 1,000,000 man-hours of employment in these shops as well as additional employment in the plants of the manufacturing companies where the electrical parts will be made.

FREIGHT CARS

THE NEWFOUNDLAND RAILWAY contemplates buying 50 flat cars of 20 tons' capacity.

PASSENGER CARS

THE BOARD OF TRANSPORTATION, CITY OF NEW YORK, contemplates asking for bids early in July, for 11 service cars, for subway service.

SIGNALING

THE CITY OF NEW YORK through its Board of Transportation has awarded a contract to the Union Switch & Signal Co. for furnishing block signaling and interlocking equipment for the World's Fair Railroad, Borough of Queens. This line is an extension from the Jamaica, N. Y., (Long Island) yard of the Independent city-owned Rapid Transit system to a new terminal at the site of the World's Fair ground. The order includes material for a 19-lever electro-pneumatic interlocking with electro-pneumatic automatic train stops, color light type signals, etc.

Supply Trade

Thorn Pendleton, secretary and a director of the Warren Tool Corporation, Warren, Ohio, has been elected president and treasurer to succeed C. L. Schoonover, who died on May 23.

L. B. Hampton, manager of the Portland, Ore., branch of the Crane Company, Chicago, has been appointed manager of the Pacific Northwest district which includes the states of Washington, Idaho, nearly all of Oregon and Utah and parts of Nevada, Montana and Wyoming, succeeding F. A. Nitchy, who has retired after 46 years' of service with the company.

OBITUARY

William F. Kingston, who resigned as vice-president of the American Car & Foundry Co., in 1925 and who since has been president of the Lake Erie Tobacco Company, Thomas, Ont., died in St. Louis, Mo., on June 6, of complications, while on a business trip.

Arthur P. Van Schaick, vice-president of the American Chain & Cable Company, Inc., Bridgeport, Conn., died on June 8 while enroute from New Orleans, La., to Chicago. He was president of the National Railway Appliances Association in 1913.

John D. McClintock, manager of the injector division of William Sellers & Co., Inc., Philadelphia, Pa., died on June 4, following a six weeks' illness. Mr. McClintock became affiliated with William Sellers & Co., Inc., on April 11, 1881, and at the time of his death had completed a period of 57 years of uninterrupted service with that company. He was appointed manager of the injector division in January, 1929.

H. W. Seymour, former vice-president in charge of sales of the Crane Company, Chicago, died on June 2 in a Washington, D. C., hospital, following an operation. Mr. Seymour was 64 years old at the time of his death. He was born on May 15, 1874, and joined the Crane Company in 1905 at the Baltimore, Md., branch. He later was manager of the Baltimore and Washington, D. C., branches and went to the general office at Chicago in 1925 as general manager of sales. He became a vice-president of the company in 1929 and retired on April 1, 1938.

TRADE PUBLICATION

METAL MOULDINGS AND SHAPES.—The Dahlstrom Metallic Door Company, Jamestown, N. Y., has recently issued a new catalog for the information of manufacturers who fabricate or assemble sheet metal parts or products. It contains 167 pages and is illustrated by actual-size section drawings of the many designs and shapes which the company produces. A simplified indexing makes the book a handy reference guide. Copies may be secured from the manufacturer.

Financial

FONDA, JOHNSTOWN & GLOVERSVILLE.—Abandonment.—The Interstate Commerce Commission, Division 4, has authorized the trustees to abandon certain interurban electric lines extending from Gloversville, N. Y., to Schenectady, 32.9 miles and from Gloversville, N. Y., to Fonda, 3.3 miles. The commission has also authorized the trustees to abandon operation over the lines of the Johnstown, Gloversville & Kingsboro Horse.

GOLDSBORO UNION STATION.—Extension of Maturity.—This company has asked the Interstate Commerce Commission for authority to extend to August 1, 1948, the maturity date of \$96,000 of its first mortgage 4½ per cent bonds, due August 1, 1933.

GREAT NORTHERN.—Bonds.—The Interstate Commerce Commission, Division 4, has authorized this company to pledge and repledge from time to time to and including June 30, 1940, as collateral security, or as a part of the collateral security, for a short-term note or notes \$15,000,000 of general mortgage six per cent gold bonds, series F.

LEHIGH VALLEY.—Securities.—The Interstate Commerce Commission, Division 4, has authorized this company to pledge \$1,000,000 of general consolidated mortgage 4½ per cent bonds as a part of the additional collateral security for a promissory note in the amount of \$5,000,000.

MISSOURI-KANSAS-TEXAS. — Bonds. — This company has asked the Interstate Commerce Commission for authority to procure the authentication and delivery of \$17,812,453 prior lien mortgage five per cent gold bonds, series E, due in 1975. The company also asks authority to pledge and repledge these bonds from time to time as collateral security for short-term notes.

MISSOURI-KANSAS-TEXAS — INTERNATIONAL GREAT NORTHERN.—Joint Operation and Assumption of Obligation.—The Interstate Commerce Commission, Division 4, has authorized the Missouri-Kansas-Texas of Texas and the trustee of the International Great Northern to operate over the line of the Galveston, Houston & Henderson, between Galveston, Tex., and Houston, 50 miles, under agreements extending and supplementing existing agreements. The commission has also authorized these companies to assume, in equal shares, liability in respect of the interest and sinking-fund requirements of \$2,801,500 of first mortgage bonds, series B, of the Galveston, Houston & Henderson, and in respect of the interest and amortization payments of any note or notes secured by the pledge of the series B bonds, which the latter company may issue to evidence a loan or loans to it from the Reconstruction Finance Corporation or from any other payee.

NEW YORK CENTRAL.—Abandonment.—Examiner J. S. Prichard of the Interstate

Commerce Commission, in a proposed report to the commission, has recommended that it authorize this company to abandon a portion of its line extending from Holcomb, N. Y., to Caledonia, 23.2 miles. The examiner has also recommended that the commission refuse permission to abandon the line from Holcomb, N. Y., to Canandaigua, 10 miles.

PERE MARQUETTE.—Pledge of Collateral.—The Interstate Commerce Commission, Division 4, has authorized this company to pledge and repledge from time to time to and including June 30, 1940, as collateral security for any short-term note or notes, \$10,045,000 of first mortgage 4½ per cent gold bonds, series C.

UNION PACIFIC.—Abandonment and Acquisition.—This company has asked the Interstate Commerce Commission for authority to abandon 32.4 miles of line in Keith and Garden Counties, Nebraska. The company also asks authority to acquire from the Central Nebraska Public Power & Irrigation District, 33.2 miles of new line running in the same general direction as the portion to be abandoned.

Dividends Declared

Chesapeake Corporation.—No Action.
Chesapeake & Ohio.—25¢; Preferred, \$1.00, quarterly, both payable July 1 to holders of record June 10.
Pittsburgh, Ft. Wayne & Chicago.—\$1.75, quarterly; Preferred, \$1.75, quarterly; both payable July 1 to holders of record June 10.

Average Prices of Stocks and Bonds

	June 7	Last week	Last year
Average price of 20 representative railway stocks..	22.29	21.44	55.18
Average price of 20 representative railway bonds..	55.74	55.51	80.46

Construction

LOUISVILLE & NASHVILLE and St. Louis & O'Fallon.—A contract has been awarded by the State of Illinois, Division of Highways, to the Fort Pitt Bridge Works, Pittsburgh, Pa., for \$26,994 for the fabrication and delivery of the steel required in the construction of a reinforced concrete viaduct over two tracks of the L. & N. and two tracks of the St. Louis & O'Fallon near Forty-fifth street and St. Clair avenue, East St. Louis, Ill. Contracts for the erection of the substructure, amounting to \$59,532, and for the reinforced concrete deck and handrail, amounting to \$41,145, were awarded to the H. H. Hall Construction Co., East St. Louis, Ill.

SOUTHERN PACIFIC.—A contract for 275,000 cu. yards of grading along the Santa Clara river between Russ, Cal., and Lang has been awarded to C. W. Wood, Los Angeles, Cal.

VIRGINIAN.—This company has asked the Interstate Commerce Commission to extend from June 30, 1938, to June 30, 1940, the time within which it must finish construction of a branch between Morri, W. Va., and the mouth of Laurel Fork, 10.4 miles.

Railway Officers

EXECUTIVE

Edward W. Scheer, president of the Reading Company, has been elected president of the Raritan River Railroad Company, succeeding **George Holmes**, deceased.

Charles S. Wesley, vice-president and general solicitor of the Huntingdon & Broad Top Mountain Railroad & Coal Co., with headquarters at Philadelphia, Pa., has been elected president, to fill the vacancy caused by the death of **Joseph A. Janney, Jr.**

N. Terhune, vice-president, assistant secretary and assistant treasurer, in charge of the New York Office of the Great Northern, has retired, effective June 1, after more than 50 years of service with this company. The jurisdiction of **F. L. Paetzold**, secretary and treasurer at St. Paul, Minn., has been extended to include the New York office, which will be in direct charge of **N. Stockhammer**, assistant secretary and assistant treasurer.

George A. Tomlinson, president of the Alleghany Corporation, whose election as chairman of the board of the Pere Marquette was reported in the *Railway Age* of June 4, was born at Lapeer, Mich.,



George A. Tomlinson

on January 26, 1866, and in the early years of his career he was successively a cowpuncher, a police reporter on a Detroit newspaper, a circus performer and a newspaper reporter on the New York Sun, later becoming managing editor of the Detroit Tribune. In 1892 Mr. Tomlinson began his shipping career as a marine broker at Duluth, Minn., and in 1901 he started building vessels of his own, until at one time he had the largest independently owned fleet of carriers in the Great Lakes service. In 1910, he was president of the Superior Ship Building Co., and also a director of the American Ship Building Co., and at the present time is chairman of the board of the latter company. He became active in the railroad field in 1937, when he was elected chairman of

the board of the Missouri Pacific and its subsidiary companies, and a director of the Texas & Pacific. He resigned his connections with these western railroads recently in order to devote his activities and attention particularly to the interests of the Alleghany Corporation and the Pere Marquette in the eastern railway field.

William Hugh Coverdale, chairman of the board of the Seaboard Air Line since 1928, was elected president of the railroad corporation at a meeting of the board of directors held in New York on June 3. **Legh Richmond Powell, Jr.**, president of the road since November, 1927, and co-receiver since the road filed under bankruptcy proceedings on December 23, 1930, has requested that he not be re-elected as director and president in view of his position as co-receiver with H. W. Anderson. Mr. Coverdale's election to the presidency of the corporate body of the road is therefore carried through primarily for the purpose of separating the functions of receiver and president and furthering plans of corporate action.

Mr. Coverdale, a member of Coverdale & Colpitts of New York, consulting engineers, was born in Kingston, Ont., in 1871, and received his education in Collegiate Institute, Kingston; Geneva College, Beaver Falls, Pa., (B.A., 1891) (Dr. Sci., 1914); he was awarded the degree of LL.D. by Queens University, Kingston, in 1922. He first entered railway service with the Pennsylvania Lines West in 1891 as a member of the engineering department and since 1900 has been engaged as a consulting engineer. In 1913 he became a member of Coverdale & Colpitts. This firm is now in executive charge of the Tennessee, Alabama & Georgia and formerly of the Pittsburgh & West Virginia and several terminal roads. In addition, it has rendered comprehensive reports on the financial structure operation, physical condition, etc., for many roads, including the Chicago, Milwaukee, St. Paul & Pacific, the Missouri-Kansas-Texas, the Chicago & Eastern Illinois, the Virginian, and the Seaboard Air Line. In addition, the firm undertook valuation work on several lines, including the Seaboard Air Line, for the



W. H. Coverdale

Interstate Commerce Commission and rendered service in connection with compensation proceedings for the latter road

for the United States Railroad Administration. Mr. Coverdale, in addition to his chairmanship of the Seaboard Air Line, is a director of the Richmond, Fredericksburg & Potomac, the Gulf, Mobile & Northern, the Tennessee, Alabama & Georgia and the Georgia & Florida. He is a member of the American Society of Civil Engineers and the American Institute of Consulting Engineers.

Robert R. Young, director of the Chesapeake & Ohio and the Pere Marquette, whose election to the chairmanship of the board of the New York, Chicago & St. Louis was reported in the *Railway Age* of June 4, was born in Canadian, Tex., forty-one years ago, and attended Culver Military Academy and the University of Virginia. In 1916, Mr. Young left the university to take a position with the duPont interests, and served with them in a financial capacity until 1922, when he joined the staff of the General Motors Corporation. He advanced in that company to the position of assistant treasurer, but in 1929 he left to enter the investment field, in which for a time he was associated with Pierre duPont and John Raskob. In



Robert R. Young

1932, he organized the stock exchange firm of Young, Kolbe & Co., and in that year he began to interest himself from an investment standpoint in the railroads. In the spring of 1937, Mr. Young and his associate, Mr. Kirby, made their initial investment in the Alleghany group of roads, which comprises the C. & O., the Pere Marquette, the Nickel Plate and other rail properties. On April 26, 1937, he and Mr. Kirby acquired the Alleghany holdings of the George and Frances Ball Foundation, securing control of the Alleghany Corporation, and thereby becoming the leading figure in the rail empire associated since 1930 with the name Van Sweringen.

Darwin S. Barrett, Jr., formerly treasurer of the Alleghany Corporation and at present treasurer of the Chesapeake Corporation, whose election to vice-president of the Chesapeake & Ohio was reported in the *Railway Age* of June 4, was born at Cleveland, Ohio, on October 16, 1891, and began his business career in September, 1913, as a stenographer for the Van Sweringen brothers in Cleveland,

who at that time were engaged in the real estate business. Mr. Barrett later became secretary to the Messrs. Van Sweringen



Darwin S. Barrett, Jr.

and in 1923 he was advanced to executive assistant, later becoming an associate. With the entrance of the Van Sweringen brothers into the railroad field, Mr. Barrett became an active part in the new Van Sweringen railroad empire, in which his principal function since 1922 has been in the realm of railroad finance and related fields.

FINANCIAL, LEGAL AND ACCOUNTING

Ralph R. Eldredge, assistant general solicitor of the Duluth, South Shore & Atlantic at Marquette, Mich., has been appointed general solicitor, with the same headquarters, succeeding **Albert E. Miller**, who retired on June 1.

Robert W. McElhinney of St. Louis, Mo., former circuit court judge in St. Louis County, has been appointed to the newly created position of general attorney for the St. Louis Southwestern at St. Louis, succeeding to the duties of **Harry C. Chapman**, attorney, who has resigned effective July 15.

OPERATING

H. R. Lake, general manager of highway motor transport of the Atchison, Topeka & Santa Fe, with headquarters at Chicago, has been appointed in addition general manager in charge of the new co-ordinated rail-bus service to be inaugurated on June 27 by the Santa Fe between San Francisco, Cal., and Los Angeles. **Berne Levy**, manager of the Santa Fe Transportation Co. (California) at Los Angeles, has been appointed in addition assistant general manager of the co-ordinated rail-bus service, and **Gene Allen** at Los Angeles has been appointed also assistant general manager of this service.

A. E. Lloyd has been appointed assistant general manager of the New York Central, Lines Buffalo and West and the Ohio Central lines, with headquarters at Cleveland, Ohio, succeeding **Ernest Thwaites**, retired, as reported in the *Railway Age* of June 4.

Mr. Lloyd was born in Wickliffe, Ohio,

in 1878. He was graduated from Western Reserve University in 1903, and was later admitted to the bar in Ohio. He entered railway service in 1892 as a telegraph operator on the Lake Shore & Michigan Southern (now a part of the New York Central) and was later promoted to trainmaster. In 1903, he was appointed a train-



A. E. Lloyd

master on the New York Central at Dunkirk, N. Y., and in 1916 was promoted to assistant superintendent of the Michigan division, with headquarters at Toledo, Ohio. In 1917 he was transferred to the Erie division, with headquarters at Erie, Pa., and in 1918 he was transferred to Alliance, Ohio, and later to the Western division at Chicago. On March 1, 1930, Mr. Lloyd was promoted to assistant to the vice-president at Chicago, and in November of the same year he was appointed general superintendent of the New York Terminal district, including the marine department. On October 10, 1931, he was appointed superintendent of the New York Terminal district, including the marine department when the position of general superintendent was discontinued, and in April, 1932, he was appointed to the newly-created position of superintendent of the Chicago Terminal district, the position he has held until his recent promotion.

Mr. Thwaites entered railroad service in May, 1888, in the operating department of the Lake Shore & Michigan Southern (now a part of the New York Central) at Chicago, and served successively in various operating capacities with that road, and with the New York Central until June, 1907, when he was appointed freight agent at Cleveland, Ohio. In November, 1910, he was promoted to assistant superintendent of the Michigan division, with headquarters at Toledo, Ohio, and in December, 1912, he was promoted to superintendent of that division. He was transferred in November, 1917, to the Cleveland division, with headquarters at Cleveland, Ohio, and in August, 1924, he was promoted to general superintendent of the Third district of the lines Buffalo and West, with headquarters as before at Cleveland. Mr. Thwaites was transferred in July, 1931, to Toledo, Ohio, with the same title and jurisdiction over the Toledo Terminal dis-

trict, the Cleveland division and the Ohio Central lines, and on October 10, 1931, he was appointed superintendent with the same jurisdiction when the position of general superintendent was discontinued. On January 1, 1932, he was promoted to assistant general manager of lines Buffalo and West, and of the Ohio Central lines, with headquarters at Cleveland, the position he held until his retirement on May 31.

TRAFFIC

George D. Hunter, assistant general passenger agent of the Texas & Pacific, with headquarters at Los Angeles, Cal., has retired effective June 1, 1938. **Robert G. Piner**, general agent at Sherman, Tex., also retired on that date.

A. K. Swann, commercial agent at Winston-Salem, N. C., has been appointed general agent for the Southern Pacific Company, the Texas & New Orleans and the Southern Pacific Steamship Lines, with headquarters at Atlanta, Ga., succeeding **W. G. Peoples**.

Joel L. Priest, general agent of the Union Pacific at Boise, Idaho, has been promoted, effective June 1, to the newly-created position of special representative, with headquarters at Boise, and **Kay L. Johnson**, a local agent, has been promoted to general agent at Boise succeeding Mr. Priest.

J. M. Mallory, general industrial agent of the Central of Georgia, with headquarters at Savannah, Ga., has retired at his own request after 48 years of service. The position of general industrial agent has been abolished. **W. P. Dermott**, industrial representative, has been promoted to industrial agent. **J. F. Jackson**, general agricultural agent, will have general supervision over development matters.

G. M. Kimble, mail and express traffic manager of the Seaboard Air Line with headquarters at Norfolk, Va., has been appointed mail traffic manager, with the same headquarters, reporting to the passenger traffic manager. **W. J. Hock**, district freight agent, with headquarters at Richmond, Va., has been appointed express traffic manager, with headquarters at Norfolk, reporting to the chief freight traffic officer. The position of mail and express traffic manager has been abolished. These changes were necessitated by the expansion of activities requiring increased supervision of mail and express traffic.

LeRoy Blue, general freight agent of the New York Central at Chicago, has been transferred to the Pittsburgh & Lake Erie, with headquarters at Pittsburgh, Pa., succeeding **F. T. Sladden**, who has retired, and **J. H. Norwood**, assistant general freight agent of the New York Central at Cincinnati, Ohio, has been promoted to general freight agent at Chicago, succeeding Mr. Blue. **W. F. Benning**, division freight agent at Indianapolis, Ind., has been promoted to assistant general freight agent at Cincinnati, replacing Mr. Norwood, and **V. M. Ousey**, general

agent at Memphis, Tenn., has been advanced to division freight agent at Indianapolis, relieving Mr. Benning. **J. G. Willock**, general agent at New Orleans, La., has been transferred to Memphis, succeeding Mr. Ousey, and **H. J. Schulingkamp**, traveling freight agent at New Orleans, has been promoted to general agent at that point, replacing Mr. Willock. These appointments were effective June 1.

G. Murray Campbell has been appointed coal traffic manager of the Baltimore & Ohio system, with headquarters at Baltimore, Md., succeeding **H. A. Cochran**, retired, as reported in the *Railway Age* of June 4. Mr. Campbell was born on January 30, 1896, at Cincinnati, Ohio, and entered the service of the Baltimore & Ohio in 1916 as a timekeeper in the engineering department. He was furloughed during the war but returned to that road in September, 1921, as clerk in the general freight department, becoming rate clerk on May 20, 1922. On July 1, 1924, he was advanced to traveling industrial agent, with headquarters at Pittsburgh, Pa., from which position he was advanced to district freight representative at Jacksonville, Fla. Mr. Campbell was appointed district freight agent at Toledo, Ohio, on January 16, 1929, and northwestern freight agent at Minneapolis, Minn., on October 1, 1930. He was appointed assistant general freight agent at Washington, D. C., on March 7, 1933, and became assistant coal traffic manager on January 1, 1937.

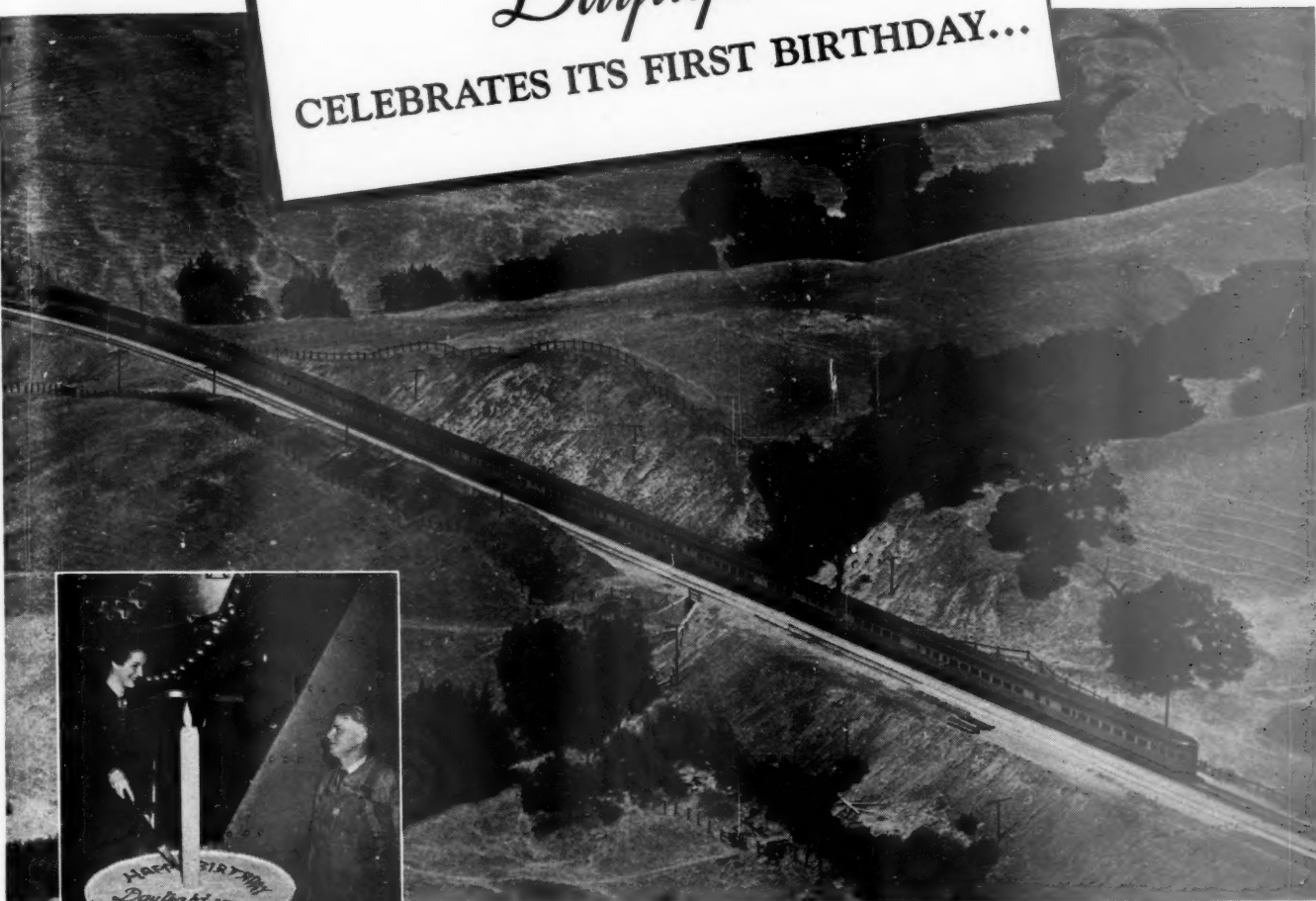
Mr. Cochran was born at Clarinda, Iowa, on January 14, 1871, received his early education in the district and high schools of New California, Ohio, and in 1891,



G. Murray Campbell

entered business college at Delaware, Ohio. From 1889 to 1891 he taught in a district school. His first railroad service was with the Big Four as stenographer in 1892, and in this capacity he entered the service of the Baltimore & Ohio under the commercial freight agent at Wheeling, W. Va., in April, 1897. In August of the same year he was transferred to the general freight office at Pittsburgh and, in March, 1898, was advanced to chief clerk to the coal and coke agent there. In January, 1905, Mr. Cochran was appointed assistant coal and coke agent at Cleveland, Ohio, remaining there until September,

THE
Daylight
 CELEBRATES ITS FIRST BIRTHDAY...



...and claims a record!

On March 21st, 1938 the "Daylight", of the Southern Pacific Railway Company, celebrated its first birthday. On the same day it claimed the record of "The world's most heavily patronized one-section, long-distance daily train."

During this first year of operation, the north and south bound trains between Los Angeles and San Francisco carried

a total of 253,573 passengers, an average of 695 passengers each day.

This record clearly shows the increasing public demand for comfortable, high-speed streamlined trains; trains that, like the "Daylight", are powered by steam locomotives capable of covering their route quickly, comfortably and economically.

LIMA LOCOMOTIVE WORKS



INCORPORATED, LIMA, OHIO

1911, when he was appointed coal freight agent at Baltimore. In 1916 Mr. Cochran was promoted to general coal freight agent and in January, 1918, went with the U. S. Fuel Administration. He returned to the Baltimore & Ohio in January, 1920, as assistant coal traffic manager, becoming coal traffic manager of the system on July 16, 1923.

ENGINEERING AND SIGNALING

W. E. Wood, assistant engineer and formerly district engineer on the Chicago, Milwaukee, St. Paul & Pacific at Chicago, has retired, effective May 1.

Clifford H. Higgins, assistant division engineer of the Portland division of the Boston & Maine, with headquarters at Dover, N. H., has been promoted to division engineer of the New Hampshire division, with headquarters at Concord, N. H., succeeding **Russell Burroughs**, deceased.

Arthur G. Holt, assistant to the chief engineer of the Chicago, Milwaukee, St. Paul & Pacific at Chicago, has retired, effective June 1. Mr. Holt was born at Chatfield, Minn., on August 30, 1864, and graduated from the University of Minnesota in 1885. He entered railway service in that year as a rodman on the Milwaukee, but left that road in 1887 to go with the Great Northern as a resident engineer. In 1889 he went to the Duluth & Winnipeg (now part of the Great Northern) as a resident engineer, but in 1890 he returned to the Milwaukee as an instrumentman and assistant engineer at Minneapolis, Minn. In 1905 Mr. Holt was promoted to division engineer in charge of construction work in Washington and Idaho, and in 1913 he was promoted to assistant chief engineer, with headquarters in Chicago, later being appointed assistant to the chief engineer, the position he held at the time of his retirement.

F. T. Beckett, assistant chief engineer of the Chicago, Rock Island & Pacific, with headquarters at Kansas City, Mo., has retired, effective June 1, and the position of assistant chief engineer is abolished. Mr. Beckett was born at Frankfort, Kan., on October 2, 1870, and entered railway service on March 23, 1897, as a chainman on the Atchison, Topeka & Santa Fe, later serving as a rodman and instrumentman with this road. In April, 1900, he went with the Chicago, Burlington & Quincy as an assistant engineer on double track construction in western Iowa, but left the Burlington in June, 1902, to return to the Santa Fe as an assistant engineer on construction in New Mexico. On January 1, 1903, he was promoted to division engineer at San Marcial, N. M., and from September, 1906, to March, 1908, he served as an assistant engineer on location and construction in Oklahoma and New Mexico. From March 1, 1908, to November 1, 1913, he was with the El Paso & Southwestern (now part of the Southern Pacific) as a resident engineer. At the end of this period Mr. Beckett entered the service of the Rock Island as engineer maintenance of way of the Second district at El Reno,

Okla., and in 1932 he was advanced to engineer maintenance of way of the system, with headquarters at Kansas City. On July, 1936, he was appointed assistant chief engineer, with headquarters at Kansas City, the position he held at the time of his retirement.

MECHANICAL

Walker V. Hinerman, assistant master mechanic of the Cincinnati division of the Chesapeake & Ohio, with headquarters at Covington, Ky., has been promoted to master mechanic at Hinton, W. Va.

Emil G. Ringberg, mechanical engineer of the Boston & Maine, with headquarters at North Billerica, Mass., has been appointed superintendent of the road's repair shops at Concord, N. H., to succeed the late **A. H. Anderson**.

A. M. Martinson, division master mechanic of the Hastings and Dakota division of the Chicago, Milwaukee, St. Paul & Pacific at Aberdeen, S. D., has been transferred to the La Crosse and River division, with headquarters at La Crosse, Wis., succeeding **F. P. Miller**, who retired on June 1. **F. O. Fernstrom**, roundhouse foreman at Milwaukee, Wis., has been promoted to division master mechanic of the Hastings and Dakota division at Aberdeen to replace Mr. Martinson.

Frank Carey Holton has been appointed assistant superintendent motive power of the Virginian, with headquarters at Princeton, W. Va., as reported in the *Railway Age* of June 4. Mr. Holton was born on December 19, 1896, at Danville, Va., and was educated at Danville Military Institute, Danville, 1913; Virginian Polytechnic Institute, B.S., 1917; Cornell University, M.E., 1918. He entered railroad service on June 1, 1912, with the Southern as machinist apprentice at Danville and held a similar position on the Norfolk & Western at Roanoke, Va., during the summer months of 1913 to 1917. Mr. Holton served as machinist, test department of the Norfolk & Western at Roanoke from June 1, 1919 to May 1, 1920, when he became mechanical inspector for the Virginian at Princeton. He held the latter position until January 1, 1924, when he was appointed chief draftsman on the same road. On November 15, 1927, he became mechanical engineer at Princeton, the position he held until his recent appointment as assistant superintendent motive power.

PURCHASES AND STORES

August Meyer, chief treatment supervisor in charge of all treatment and inspection of ties and lumber on the Chicago, Milwaukee, St. Paul & Pacific, with headquarters at Chicago, has retired effective June 1.

OBITUARY

Erwin T. Jones, district claim agent of the New York Central system, with headquarters at New York, died on June

1 at his home in Yonkers, N. Y., after a brief illness, at the age of 66 years.

William J. Knox, who retired in 1931 as mechanical engineer of the Buffalo, Rochester & Pittsburgh (now Baltimore & Ohio), died on May 26 at Pittsburgh, Pa. Mr. Knox was born at Springfield, Ill., on January 4, 1862, and began railroad work in 1876 on the Union Pacific, at Omaha, Neb. He served consecutively as machinist, fireman, draftsman and chief draftsman for that road until 1900. Between that year and 1904 he was employed in engineering work by the Pittsburgh Locomotive Works and the Pressed Steel Car Company. In 1904 he was appointed mechanical engineer of the Buffalo, Rochester & Pittsburgh, at Du Bois, Pa., where he continued to reside until his death.

Daniel D. Curran, who retired as president and general manager of the New Orleans & Northeastern in 1915, died at New Orleans on June 6.

J. T. Fitzgerald, assistant superintendent transportation of the Chesapeake & Ohio, with headquarters at Columbus, Ohio, died at that point on June 3.

Russell Burroughs, division engineer of the New Hampshire division of the Boston & Maine, with headquarters at Concord, N. H., died on May 23 of heart disease.

F. H. Christian, superintendent of the Southern division of the Gulf, Colorado & Santa Fe at Temple, Tex., died at that point on June 2. Mr. Christian was born on December 4, 1879, and entered railroad service in January, 1900, as a telegraph operator on the Gulf, Colorado & Santa Fe at Temple, Tex. In February, 1901, he was promoted to joint agent at Conroe, Tex., and in November, 1905, he was appointed traveling auditor, with headquarters at Galveston, Tex. He was appointed chief clerk to the superintendent at Beaumont, Tex., in January, 1907, and in August, 1908, he was promoted to trainmaster at Beaumont. In February, 1928, he was advanced to superintendent of the Southern division at Temple, Tex. He has been on leave of absence on account of illness since March 30.

J. T. Conner, formerly superintendent of motive power and machinery and more recently superintendent of the shops at Houston, Tex., of the Southern Pacific Lines in Texas and Louisiana at the time of his retirement in February, 1932, died at his home at Ennis, Tex., on May 30. Mr. Conner was born at Houston on December 17, 1865, and entered railway service at the age of 14 on the Houston & Texas Central (now a part of the Southern Pacific). In his career, all of which was with the H. & T. C. and the Southern Pacific, he served successively as machinist, roundhouse foreman, general shop foreman, assistant superintendent of motive power, superintendent of motive power and machinery, assistant general manager of motor power and car departments and, at the time of his retirement, superintendent of the Houston shops.

An excerpt from the
March 5th, 1938 Issue
of "The Saturday Review"

The Saturday Review

14

The BOWLING GREEN by Christopher Morley

Mandrake Pills

IN a train to Philadelphia, thinking; or wondering why the old barns painted MANDRAKE PILLS were the pills taken by youth. It suddenly occurred to me that mandragora—a drowsy drug, why it shrieked, hated to be used to be other. A soporific? Yet there used to be other rumors about the efficacy of mandrake, quite the opposite. But perhaps no one ever knew, not even Schenk who made them?

Whatever their purpose, apparently they served some need that doesn't exist North of Latitude Forty. Are there any barns painted MANDRAKE PILLS this side of Philadelphia?

There was a young lady whose suitcase was plastered with ecumenical baggage-labels, obviously phony. What a parable of education. We love to paste on our skull the labels of the Aristotles, the Chaucer Inn, Shakespeare Plaza, the Whitman Park; how rarely we've actually visited them.

The U. S. A., more than any other, is the land of Make-Believe, of Peter Pantheism, of fairy tales and Fortune Magazines. Its national anthem can't be sung, and now we have a machine (the "Exercycle") which (for \$285) gives "exercise without exertion" and is smilingly bestridden (see Abercrombie &

Nothing in the U. S., not even the trains, can be started without a jerk, or stop without a bang.

On this train two books were being read. In a Pullman, a lady reading *Gone With the Wind*. In a day coach a man reading a life of Leonardo Da Vinci. This seemed to me a brief history of what that Harvard professor calls the Structure of Social Action.

An editorial (*Herald-Tribune*) says that some hospital is installing an exhibition room to amuse and pacify the Expectant Father while he's waiting for the news. But nothing will ever be more appropriate than the old engraving that used to hang in the little lurking-room for Fathers in the Sloane Maternity Ward. It was Landseer's *The Stag at Bay*.

Nothing. I to diner, can surprise new one—of thing is uncertain people, whose was their a

Fitch's circular) by young women in

bate with doubt.—If it was not for Bishop (I cried) the whole conception could have perished from

No waiter; I'll take it in miscegenation.

str believe in the Moon, the young man. She is the Original Glamor Girl.

Returning to the smoker, I found myself compiling two definitions of Literature. Unfortunately they exactly cancelled out, so I was left with nothing:—

Literature is an attempt to step down the voltage of life so as to make its contemplation endurable. . . . Literature is an attempt (by selecting and intensifying) to melodramatize the dull rote of living into a higher order of composition. . . .

Any old grizzled baggage man on a railroad platform has seen things funnier or more dreadful than literature would dare to approach.

Goudy to Kuppenheimer to Kennerley

Goudiamus igitur (we have said before) has been the motto of printers for years. As Stanley Morison designed by Fred

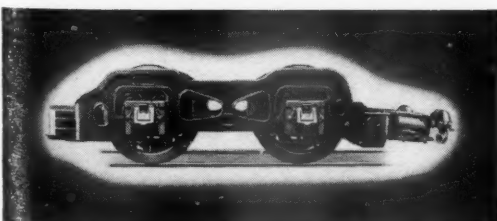
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MR. MORLEY voices the objection of a large majority of the traveling public. But this condition can be rectified and progressive railroads are doing it—with Booster Power!

The Locomotive Booster gives the added power necessary to make smooth, quick starts without the jerks that are objectionable to both operating officials and passengers.



When maintenance is required, a replacement part assumes importance equal to that of the device itself and should be purchased with equal care. Use only genuine Franklin repair parts in Franklin equipment.

FRANKLIN RAILWAY SUPPLY COMPANY, INC.

NEW YORK

CHICAGO

MONTREAL

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF APRIL AND FOUR MONTHS OF CALENDAR YEAR 1938

Name of road	Av. mileage operated during period	Operating revenues				Operating expenses			Operating ratio	Net railway operating income	
		Freight	Passenger	Total (inc. misc.)	Maintenance of way and structures	Equipment	Traffic	Trans- portation		Operating income	Net railway operating income
Akron, Canton & Youngstown	171	\$116,478	\$29	\$116,507	\$22,001	\$12,263	\$11,520	\$47,996	86.3	\$3,473	\$19,542
Alton	957	479,658	140	479,798	140	50,179	201,614	201,614	85.4	72,934	143,174
Alton	957	769,089	194,058	1,122,421	166,447	192,580	407,738	522,685	87.7	47,724	47,724
Alton	957	3,231,051	809,485	4,714,183	571,044	779,009	181,029	2,162,710	84.4	342,446	293,220
Atchison, Topeka & Santa Fe System	13,512	8,633,823	1,167,145	10,861,480	1,381,539	2,735,352	437,771	4,488,883	86.6	1,450,675	190,733
Atlanta & West Point	13,512	34,319,663	4,924,135	43,225,764	6,117,597	12,107,891	1,846,543	18,727,311	93.4	2,867,962	4,747,127
Atlanta & West Point	93	82,219	22,938	105,157	20,806	25,882	8,210	29,093	100.4	5,584	5,584
Atlanta & West Point	93	336,298	96,132	519,220	74,472	100,599	32,650	257,778	98.1	9,686	9,686
Western of Alabama	133	88,260	22,506	128,976	26,758	29,678	8,007	52,668	98.6	11,674	11,674
Atlanta, Birmingham & Coast	133	356,214	96,498	523,365	76,099	120,732	31,136	218,639	93.0	36,522	36,522
Atlanta, Birmingham & Coast	639	246,932	14,759	289,261	43,857	47,338	22,850	121,397	89.5	5,501	5,501
Atlanta, Birmingham & Coast	639	910,816	129,096	1,152,531	172,865	198,598	95,996	476,635	90.7	7,600	7,600
Atlantic Coast Line	5,105	3,337,223	823,136	4,583,734	521,004	671,995	146,217	1,668,269	70.1	1,371,300	458,669
Charleston & Western Carolina	5,105	12,337,423	3,999,865	18,102,150	1,808,015	2,903,735	640,896	6,856,508	72.2	5,031,034	2,044,210
Charleston & Western Carolina	343	170,125	1,024	171,805	24,153	30,844	8,449	27,002	77.4	39,788	39,788
Charleston & Western Carolina	343	712,522	3,689	734,323	105,644	144,722	32,075	278,685	75.6	149,504	149,504
Baltimore & Ohio	6,442	8,441,522	852,453	10,054,899	835,565	2,252,574	373,841	4,255,180	82.0	1,809,294	494,685
Staten Island Rapid Transit	6,442	34,413,244	3,307,721	40,556,103	4,065,029	9,713,245	1,490,414	17,775,106	86.9	5,323,637	1,692,140
Staten Island Rapid Transit	24	47,579	63,602	119,702	9,465	19,731	1,714	78,567	100.4	486	486
Staten Island Rapid Transit	24	197,792	250,940	481,956	34,695	79,731	4,911	78,567	101.9	9,395	9,395
Bangor & Aroostook	603	616,858	16,833	652,433	110,433	80,085	6,343	140,095	55.8	288,403	217,088
Bangor & Aroostook	603	2,620,721	80,431	2,771,676	420,123	367,128	22,552	658,475	56.8	1,197,518	916,442
Bangor & Aroostook	225	363,969	660	374,444	48,834	165,656	13,156	127,366	102.0	7,564	7,564
Bangor & Aroostook	225	1,247,355	2,771	1,288,247	171,824	820,135	48,560	510,721	130.4	563,789	486,677
Boston & Maine	1,960	2,261,007	502,023	3,208,685	457,491	544,331	66,429	1,414,064	82.4	566,644	244,446
Burlington, Rock Island	1,960	9,404,908	2,258,866	12,783,171	1,853,406	2,064,518	260,573	5,915,433	84.0	2,944,178	801,164
Burlington, Rock Island	255	326,243	19,675	345,918	18,994	18,509	4,615	49,380	82.4	21,549	14,094
Burlington, Rock Island	255	341,155	70,759	491,586	80,044	76,638	20,130	213,541	97.3	12,132	12,132
Cambria & Indiana	37	73,968	.....	74,065	12,977	51,197	427	8,032	107.04	5,214	5,214
Canadian Pacific Lines in Maine	37	396,365	.....	396,365	29,491	185,773	1,664	41,029	71.45	113,289	27,228
Canadian Pacific Lines in Maine	234	219,139	12,289	245,171	47,630	47,051	9,830	77,139	77.7	54,639	32,467
Canadian Pacific Lines in Maine	234	1,061,677	53,602	1,163,429	128,886	208,973	39,613	395,370	69.4	355,515	19,445
Canadian Pacific Lines in Vermont	91	50,636	7,064	68,557	17,102	24,222	4,409	56,740	157.8	46,961	46,961
Central of Georgia	91	174,396	34,321	252,169	52,086	96,380	17,304	246,206	172.6	211,454	287,414
Central of Georgia	1,926	917,764	101,346	1,184,544	165,843	238,849	52,366	558,355	92.3	91,081	20,862
Central of Georgia	1,926	3,735,909	467,817	4,863,866	662,323	960,383	217,913	2,274,745	91.3	423,488	24,747
Central of New Jersey	709	1,751,691	339,910	2,275,971	119,477	384,442	48,134	1,045,672	73.8	596,421	173,138
Central Vermont	709	7,365,687	1,353,972	9,353,688	1,132,202	1,525,425	188,307	4,385,810	74.6	2,379,878	179,816
Central Vermont	436	326,243	31,171	396,582	72,907	59,302	13,474	201,715	92.8	28,744	3,133
Central Vermont	436	1,238,664	134,369	1,518,691	274,222	265,456	50,170	873,720	101.6	24,727	129,629
Chesapeake & Ohio	3,102	6,707,177	278,763	7,309,517	930,159	1,586,121	200,629	2,103,931	70.0	2,191,956	1,377,605
Chicago & Eastern Illinois	3,102	28,842,579	962,124	30,786,638	3,775,365	6,751,297	807,690	8,779,085	69.3	9,459,941	6,076,085
Chicago & Eastern Illinois	927	842,579	98,172	1,083,718	136,416	196,706	54,930	849,295	86.9	142,242	63,242
Chicago & Eastern Illinois	927	3,671,367	479,266	4,698,036	550,400	840,194	223,081	2,011,775	82.8	810,001	494,001
Chicago & Illinois Midland	131	260,060	903	267,844	29,998	57,863	18,311	74,736	74.3	68,718	46,537
Chicago & North Western	131	1,096,405	3,662	1,126,592	94,874	259,472	78,872	326,995	74.0	292,713	205,823
Chicago & North Western	8,391	4,288,738	792,716	5,488,460	957,447	1,697,568	191,026	2,736,684	102.4	137,471	782,614
Chicago & North Western	8,391	17,590,461	3,285,661	23,535,344	3,320,165	6,375,050	746,595	11,531,014	98.6	331,357	2,310,676
Chicago, Burlington & Quincy	8,970	5,164,173	674,520	6,650,156	773,325	1,221,144	241,503	2,625,628	77.5	1,495,623	768,490
Chicago Great Western	8,970	21,074,310	2,620,186	26,817,246	2,843,151	5,402,281	977,922	11,099,161	80.2	5,301,652	2,366,606
Chicago Great Western	1,505	1,209,972	41,111	1,339,498	206,424	224,225	58,145	553,691	81.7	244,461	152,079
Chicago Great Western	1,505	4,832,603	155,606	5,352,666	861,198	974,924	239,751	2,330,668	86.2	737,017	364,827
Chicago, Indianapolis & Louisville	549	543,265	56,479	662,953	69,414	133,197	30,071	295,352	85.5	96,136	42,748
Chicago, Indianapolis & Louisville	549	2,174,176	199,425	2,610,478	264,923	649,083	120,517	1,219,798	92.2	204,482	379,899

Continued on next left-hand page

NO. 61 OF A SERIES OF FAMOUS ARCHES OF THE WORLD



STEFANO VIADUCT

ITALIAN STATE RAILWAYS

Completed in 1930 this viaduct of massive stone construction spans the Stefano Torrent. The length of the viaduct is 120 metres, carrying the rails 50 metres above the ground. In the background is the old bridge this modern viaduct replaces. » » » Equally

modern is the Security Sectional Arch. Although American Arch Company pioneered in making the locomotive arch practical, it has maintained its leadership in constantly improving both materials and design.

THERE'S MORE TO SECURITY ARCHES THAN JUST BRICK

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60 EAST 42nd STREET, NEW YORK, N. Y.
***Locomotive Combustion
Specialists***

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF APRIL AND FOUR MONTHS OF CALENDAR YEAR 1938—CONTINUED

Name of road	Av. mileage operated during period	Operating revenues			Operating expenses			Operating ratio	Net from railway operation	Net railway operating income	
		Freight	Passenger	Total (inc. misc.)	Way and structures	Maintenance of equipment	Traffic			Operating income	1937
Chicago, Milwaukee, St. Paul & Pacific.....April	10,961	\$5,918,576	\$587,265	\$7,222,833	\$859,336	\$1,564,175	\$224,164	\$3,120,913	\$6,132,874	\$16,484	\$340,447
Chicago, Milwaukee, St. Paul & Pacific.....4 mos.	10,962	24,997,241	2,323,331	29,444,131	3,310,112	6,314,093	876,540	12,921,051	24,924,873	118,032	2,339,701
Chicago, Rock Island & Pacific.....April	7,496	4,289,316	607,561	5,393,612	900,811	1,233,723	229,876	2,513,314	5,217,323	300,404	—17,614
Chicago, Rock Island & Pacific.....4 mos.	7,497	17,842,133	2,471,533	22,288,025	2,759,223	4,646,025	927,769	10,284,139	20,008,058	300,604	—17,989
Chicago, Rock Island & Gulf.....April	627	250,976	24,690	333,268	50,478	37,989	19,701	133,648	266,851	61,410	37,655
Chicago, Rock Island & Gulf.....4 mos.	627	999,018	114,568	1,442,236	185,160	142,303	77,711	572,331	1,080,085	292,743	58,993
Chicago, St. Paul, Minneapolis & Omaha.....April	1,648	970,623	100,566	1,070,623	107,668	223,742	37,414	604,670	1,014,208	50,151	—53,348
Chicago, St. Paul, Minneapolis & Omaha.....4 mos.	1,648	4,105,828	439,585	4,886,964	407,192	922,809	156,391	2,614,811	4,371,547	90,952	—528,197
Clinchfield Railroad.....April	308	461,759	3,593	471,334	42,001	92,251	17,627	105,609	272,457	149,138	262,830
Colorado & Southern.....April	308	1,924,194	14,434	1,960,540	144,087	444,216	76,317	433,939	1,166,546	59,027	1,182,033
Colorado & Southern.....4 mos.	797	405,373	26,409	477,517	35,041	117,009	12,652	231,594	422,148	20,596	61,341
Colorado & Southern.....4 mos.	797	1,594,805	118,724	1,915,268	161,620	502,079	57,870	882,264	1,714,404	—106,179	180,897
Fort Worth & Denver City.....April	902	415,676	47,189	464,780	56,828	94,362	17,083	176,651	378,463	47,503	89,888
Fort Worth & Denver City.....4 mos.	902	1,883,505	212,158	2,050,555	208,050	410,241	72,236	738,890	1,567,288	326,495	311,174
Columbus & Greenville.....April	168	73,534	2,891	87,529	16,309	12,189	3,918	33,838	81,273	6,256	—1,422
Columbus & Greenville.....4 mos.	168	335,060	29,242	389,663	70,451	159,782	17,407	152,884	347,461	15,788	37,822
Delaware & Hudson.....April	831	1,512,593	67,432	1,664,755	152,320	289,120	44,482	702,689	1,291,191	222,870	578,724
Delaware & Hudson.....4 mos.	831	5,947,519	355,850	6,609,388	621,332	1,228,814	175,734	3,007,929	5,546,223	442,941	1,529,241
Delaware, Lackawanna & Western.....April	986	2,562,899	550,963	3,598,976	205,209	643,042	114,685	1,790,925	2,892,483	271,493	1,092,853
Delaware, Lackawanna & Western.....4 mos.	986	10,189,198	2,163,193	14,065,557	727,770	2,521,109	453,338	7,295,160	11,541,996	813,561	2,616,502
Denver & Rio Grande Western.....April	2,570	1,346,452	120,082	1,560,880	296,090	600,000	64,511	615,667	1,663,318	326,206	302,153
Denver & Rio Grande Western.....4 mos.	2,570	5,654,931	410,429	6,421,761	729,972	2,039,743	250,885	2,645,085	6,000,201	477,576	—198,698
Denver & Salt Lake.....April	232	113,319	5,278	127,449	17,808	30,938	2,251	48,646	109,112	9,773	11,204
Denver & Salt Lake.....4 mos.	232	534,720	27,947	599,673	70,451	159,782	10,512	210,471	494,118	—8,711	168,026
Detroit & Mackinac.....April	242	54,097	2,258	62,460	12,208	10,778	1,193	23,918	51,335	7,913	4,698
Detroit & Mackinac.....4 mos.	242	182,822	10,637	214,971	45,096	45,096	4,145	97,215	194,943	20,028	32,921
Detroit & Toledo Shore Line.....April	50	168,990	6,037	169,346	35,849	20,220	9,760	54,043	117,651	34,342	75,863
Detroit & Toledo Shore Line.....4 mos.	50	906,400	.....	908,348	84,483	91,550	37,672	257,227	500,812	307,111	142,488
Detroit, Toledo & Ironton.....April	472	355,646	178	367,235	46,670	81,662	10,942	106,646	262,820	62,342	220,562
Detroit, Toledo & Ironton.....4 mos.	472	1,694,388	709	1,751,607	195,330	329,953	44,897	486,555	1,130,803	434,081	374,222
Duluth, Missabe & Iron Range.....April	540	139,368	1,574	165,965	108,236	220,071	4,541	177,561	543,064	—377,099	—436,848
Duluth, Missabe & Iron Range.....4 mos.	540	428,276	6,030	512,050	440,086	912,408	17,296	640,363	2,148,122	—1,847,981	—1,850,813
Duluth, Winnipeg & Pacific.....April	179	70,873	1,422	75,093	24,886	18,080	2,387	42,014	91,176	22,894	8,135
Duluth, Winnipeg & Pacific.....4 mos.	179	368,977	4,717	384,938	80,922	75,280	9,124	188,577	369,270	16,300	—86,249
Elgin, Joliet & Eastern.....April	435	794,357	15	886,483	87,787	214,396	14,221	398,872	753,418	33,802	325,980
Elgin, Joliet & Eastern.....4 mos.	435	3,135,095	17	3,463,871	411,513	867,905	59,156	1,660,689	3,152,027	—62,338	1,579,547
Erie.....April	2,275	4,478,921	403,700	5,233,642	587,806	1,170,253	170,519	2,307,960	4,498,215	825,427	1,535,295
Erie.....4 mos.	2,275	17,843,790	1,570,623	21,045,535	1,967,221	4,872,059	674,449	9,458,995	18,011,003	3,034,532	5,730,163
New Jersey & New York.....April	46	15,991	39,498	55,323	5,357	11,097	422	4,358	58,746	—10,615	—25,718
New Jersey & New York.....4 mos.	46	54,206	164,745	226,708	17,328	47,878	1,995	176,668	249,427	—32,719	—110,106
New York, Susquehanna & Western.....April	143	220,509	22,239	253,276	22,622	25,908	3,176	100,634	167,507	53,621	69,240
New York, Susquehanna & Western.....4 mos.	143	916,316	90,230	1,054,300	67,153	105,908	12,923	431,757	676,311	377,989	206,023
Florida East Coast.....April	495	920,551	283,750	1,303,505	94,741	137,911	22,603	359,694	673,782	54,864	410,013
Florida East Coast.....4 mos.	495	3,098,090	1,673,508	5,210,215	334,201	595,626	96,167	1,540,028	2,846,681	2,028,062	1,334,617
Georgia Railroad.....April	329	243,251	12,570	280,208	30,772	52,752	17,352	130,465	245,819	18,796	77,128
Georgia Railroad.....4 mos.	329	951,299	43,964	1,086,322	129,044	200,254	74,356	518,975	980,930	43,056	268,068
Georgia & Florida.....April	408	73,002	1,513	78,202	18,504	17,283	7,825	35,354	84,290	—13,709	—10,305
Georgia & Florida.....4 mos.	408	312,171	6,747	332,847	80,368	69,474	33,269	142,238	347,574	—45,737	8,722
Grand Trunk Western.....April	1,032	1,212,797	62,722	1,380,876	262,033	318,547	46,182	739,998	1,441,828	—185,681	371,968
Grand Trunk Western.....4 mos.	1,032	4,817,836	296,674	5,528,169	801,085	1,341,546	174,376	3,011,975	5,635,128	—613,444	1,284,952
Canadian National Lines in New England.....April	172	79,375	3,132	91,678	22,633	28,217	2,861	54,033	112,077	—20,399	—25,061
Canadian National Lines in New England.....4 mos.	172	362,219	17,843	410,854	100,891	103,121	10,708	245,465	478,803	—129,170	—177,410
Great Northern.....April	8,071	4,245,990	304,142	4,986,521	608,239	1,086,028	200,351	1,950,469	4,129,001	141,199	1,601,490
Great Northern.....4 mos.	8,071	15,858,585	1,259,266	18,794,219	2,076,700	4,238,185	750,875	8,496,130	16,607,242	—556,496	2,181,305

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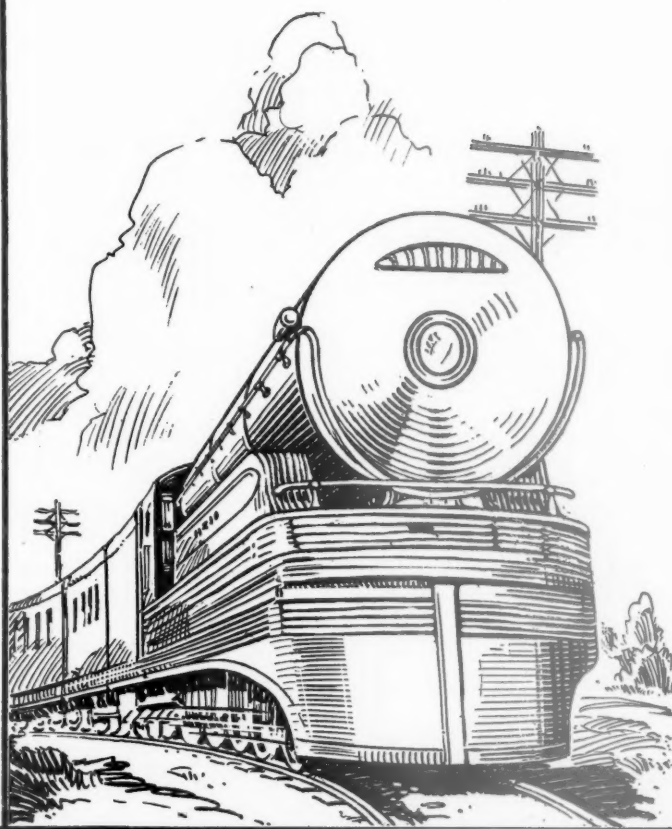
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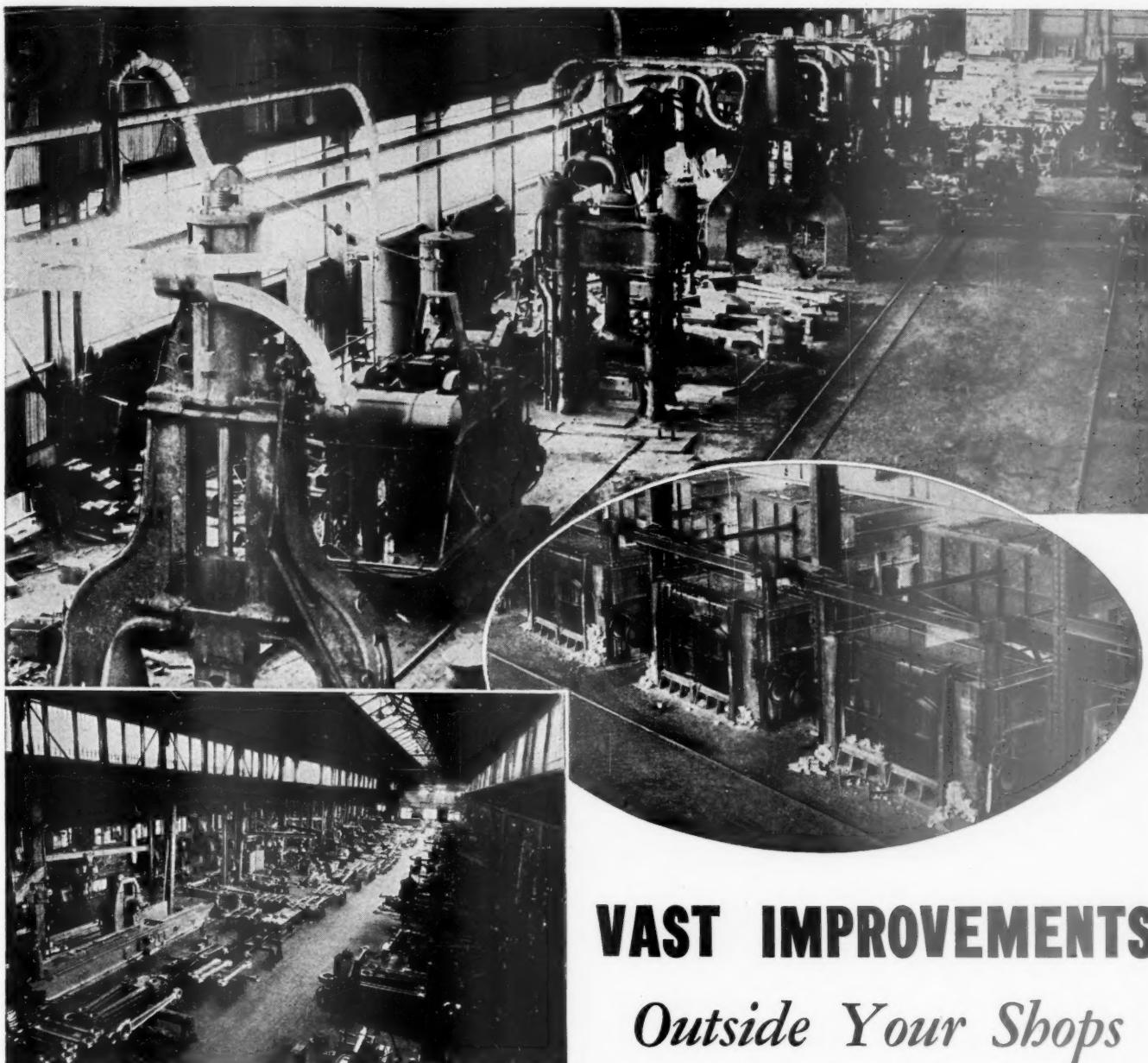
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REVENUES AND EXPENSES OF RAILWAYS

MONTH OF APRIL AND FOUR MONTHS OF CALENDAR YEAR 1938—CONTINUED

Name of road	Av. mileage operated during period	Operating revenues			Operating expenses			Operating ratio	Net from railway operation	Net railway income				
		Freight	Passenger	Total (inc. misc.)	Way and structures	Maintenance of equipment	Traffic			Transportation	Total	Operating income	1938	1937
Green Bay & Western.....	234	\$104,469	\$550	\$109,299	\$21,427	\$21,427	\$15,043	\$6,213	\$43,171	\$90,313	\$8,105	\$18,986	\$1,337	\$20,278
4 mos.	234	439,287	2,140	458,685	76,245	76,245	53,240	26,145	181,457	363,902	79.3	94,783	30,663	80,040
Gulf & Ship Island.....	259	103,965	6,128	122,652	21,050	15,076	15,076	2,327	61,884	105,617	86.1	17,035	—321	16,125
4 mos.	259	367,805	29,192	448,583	77,927	61,515	61,515	11,138	236,827	408,686	91.1	39,897	—71,731	2,651
Gulf, Mobile & Northern.....	936	487,973	22,751	538,404	73,911	70,329	70,329	38,490	138,216	376,370	69.9	162,034	62,445	165,542
4 mos.	936	1,995,827	88,539	2,187,725	274,875	339,481	339,481	161,173	603,860	1,382,061	72.3	608,664	409,664	460,320
Illinois Central	4,951	5,340,548	734,361	6,074,909	1,422,096	1,422,096	1,422,096	1,422,096	2,863,165	5,425,800	78.4	1,498,684	849,740	637,318
4 mos.	4,951	23,300,671	3,171,934	29,057,457	2,645,838	5,700,599	5,700,599	688,432	11,945,054	22,284,768	76.7	6,772,689	4,062,765	3,171,332
Yazoo & Mississippi Valley.....	1,619	913,657	65,664	1,072,520	106,067	142,321	142,321	24,077	452,395	738,842	71.7	303,678	163,174	280,399
4 mos.	1,619	3,887,010	265,295	4,467,701	399,105	514,823	514,823	114,823	1,901,102	3,236,867	72.5	1,230,834	661,914	820,225
Illinois Central System.....	6,570	6,254,205	800,225	7,997,004	809,360	1,564,417	1,564,417	168,295	3,315,560	6,194,642	77.5	1,802,362	1,010,850	961,609
4 mos.	6,570	27,187,681	3,437,229	33,525,158	3,044,943	6,332,654	6,332,654	803,255	13,846,066	25,521,635	76.1	8,003,523	4,716,426	4,029,860
Illinois Terminal	496	321,133	62,217	419,231	55,108	66,279	66,279	15,515	155,554	311,649	74.34	107,582	62,507	130,389
4 mos.	496	1,266,716	241,350	1,649,257	181,045	267,426	267,426	64,443	640,741	1,225,801	74.32	423,456	230,677	543,695
Kansas City Southern.....	879	920,379	18,225	1,050,683	111,056	142,787	142,787	51,516	327,839	681,139	63.8	359,544	253,544	214,654
4 mos.	879	3,876,899	67,462	4,405,739	430,656	595,199	595,199	202,385	1,336,473	2,841,949	64.5	1,563,790	1,147,790	940,393
Kansas, Oklahoma & Gulf.....	327	164,755	467	168,009	20,664	21,196	21,196	9,926	47,995	108,792	64.8	59,217	42,042	29,355
4 mos.	327	740,122	1,852	759,082	62,312	75,963	75,963	37,073	183,872	397,295	52.3	361,787	291,162	205,517
Lake Superior & Ishpeming.....	156	137,268	277	142,228	89,706	117,337	117,337	2,774	91,801	328,585	23.0	—186,357	—269,696	—31,365
Lehigh & Hudson River.....	96	114,405	51	115,097	8,963	20,541	20,541	3,649	41,377	80,653	70.1	34,444	22,817	34,127
4 mos.	96	453,809	273	456,615	35,704	91,517	91,517	15,256	175,998	345,417	75.6	111,198	62,817	79,783
Lehigh & New England.....	205	274,475	.....	276,487	25,874	64,664	64,664	6,752	100,321	211,882	76.6	64,605	44,831	150,436
4 mos.	210	1,019,866	.....	1,027,679	109,362	260,130	260,130	27,442	398,152	853,053	83.0	174,626	109,120	290,938
Lehigh Valley	1,307	2,753,790	196,175	3,156,539	183,733	627,689	627,689	118,327	1,469,367	2,526,732	80.0	629,807	333,970	780,562
4 mos.	1,308	11,551,033	748,497	13,149,025	747,023	2,357,995	2,357,995	451,614	6,312,330	10,603,310	80.6	2,345,715	1,351,251	2,510,070
Louisiana & Arkansas.....	606	421,764	10,145	434,278	59,714	67,873	67,873	32,779	137,371	318,099	70.0	136,179	98,149	110,803
4 mos.	606	1,781,947	39,695	1,901,054	241,501	290,373	290,373	128,492	547,373	1,294,698	68.1	606,356	446,022	347,374
Louisiana, Arkansas & Texas.....	240	83,015	119	87,071	24,961	13,460	13,460	4,535	35,850	83,281	95.6	3,790	—1,125	3,640
4 mos.	240	354,715	402	372,321	87,990	55,822	55,822	19,524	163,095	346,113	93.0	26,208	5,357	3,030
Louisville & Nashville.....	4,938	4,940,428	478,037	5,938,993	661,804	1,352,164	1,352,164	186,428	2,411,157	4,891,280	82.4	1,047,713	490,013	1,509,488
4 mos.	4,938	20,291,781	2,153,137	24,328,567	2,781,993	5,695,197	5,695,197	808,463	9,898,921	20,337,166	83.6	3,991,401	1,690,244	5,377,108
Maine Central	997	765,288	70,799	920,630	155,705	172,936	172,936	12,555	346,849	725,623	78.8	195,008	119,494	252,166
4 mos.	1,006	3,381,134	287,403	3,978,816	636,041	726,268	726,268	46,282	1,537,702	3,088,110	77.6	890,706	623,977	881,930
Midland Valley	352	95,581	15	97,251	16,050	11,683	11,683	2,956	30,242	66,851	68.7	30,400	18,106	30,529
4 mos.	352	390,467	34	398,126	51,048	52,885	52,885	10,679	119,036	257,701	64.7	140,425	91,749	145,552
Minneapolis & St. Louis.....	1,523	632,064	10,339	675,811	124,382	122,084	122,084	44,291	270,609	591,207	87.5	84,604	45,459	—12,441
4 mos.	1,526	2,471,789	36,328	2,639,908	339,005	481,208	481,208	173,982	1,123,863	2,260,631	85.6	379,295	206,357	69,644
Minneapolis, St. Paul & Sault Ste. Marie.....	4,297	1,579,824	77,770	1,821,278	266,592	380,292	380,292	61,042	885,761	1,665,719	91.5	155,559	—6,899	—139,862
4 mos.	4,299	5,990,349	292,931	6,908,187	999,129	1,537,470	1,537,470	241,577	3,674,867	6,800,142	98.4	108,045	—591,594	91,901
Duluth, South Shore & Atlantic.....	549	112,278	11,352	138,316	23,943	32,168	32,168	4,161	77,672	127,738	92.4	10,578	—2,459	61,457
4 mos.	549	455,324	46,184	551,865	127,273	130,956	130,956	18,089	313,100	599,389	108.2	—45,524	—99,679	100,937
Spokane International	164	55,671	1,045	62,475	17,868	7,497	7,497	2,078	21,645	53,682	85.9	8,793	3,534	4,986
4 mos.	164	180,396	4,811	208,293	45,451	30,513	30,513	8,550	85,837	189,126	90.8	19,167	—1,058	14,543
Mississippi Central	150	49,122	1,858	53,063	14,110	10,062	10,062	7,459	20,937	57,491	108.3	—4,428	—9,092	8,430
4 mos.	150	237,478	7,329	252,984	48,076	41,824	41,824	29,346	91,075	230,060	90.9	22,924	3,985	14,986
Missouri-Arkansas	365	55,062	1,701	61,962	18,777	8,864	8,864	5,853	27,115	65,238	105.3	—3,276	—7,023	7,503
4 mos.	365	293,315	5,933	319,152	86,879	47,232	47,232	22,247	124,431	298,228	93.4	20,924	4,769	—8,882
Missouri-Illinois	193	88,939	431	91,322	16,325	14,453	14,453	2,547	31,782	70,605	77.3	20,717	14,378	14,323
4 mos.	193	335,518	1,638	344,205	56,965	54,763	54,763	11,290	126,093	270,437	78.6	73,768	48,090	73,985
Missouri-Kansas-Texas Lines	3,294	7,038,049	656,835	8,590,068	1,284,110	1,483,363	1,483,363	451,324	3,707,603	7,876,521	89.7	1,119,590	478,039	242,451
4 mos.	3,294	27,038,049	2,656,835	33,590,068	4,044,110	5,064,731	5,064,731	937,192	10,310,396	20,891,927	84.0	3,991,387	2,022,683	3,396,810
Missouri Pacific	7,175	4,774,384	398,040	5,783,331	989,527	1,174,089	1,174,089	236,784	2,438,422	5,095,535	88.1	687,296	199,063	582,525
4 mos.	7,175	20,886,434	1,647,207	24,883,314	3,463,022	5,064,731	5,064,731	957,192	10,310,396	20,891,927	84.0	3,991,387	2,022,683	3,396,810

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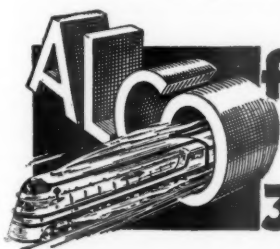
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REVENUES AND EXPENSES OF RAILWAYS

MONTH OF APRIL AND FOUR MONTHS OF CALENDAR YEAR 1938—CONTINUED

Name of road	Av. mileage operated during period	Operating revenues			Operating expenses			Operating ratio	Net from railway operation		Net railway operating income	
		Freight	Passenger	Total (inc. misc.)	Way and structures	Equip-ment	Traffic		Total	Trans-portion	Operating income	1937
Gulf Coast Lines.....April	1,767	\$1,349,653	\$40,430	\$1,447,800	\$208,238	\$191,473	\$46,273	63.18	\$914,737	\$418,410	\$458,487	\$336,969
International Great Northern.....April	1,767	5,702,673	167,835	6,097,174	768,219	1,782,688	186,079	60.49	3,687,980	1,782,688	2,113,267	2,209,156
Mobile & Ohio.....April	1,155	3,281,809	316,867	4,041,728	593,221	781,126	128,152	88.32	3,569,520	1,841,049	230,377	211,311
Monongahela.....April	1,194	824,253	24,387	894,909	123,310	155,004	362,691	81.2	726,222	362,691	107,913	23,942
Montour.....April	1,194	3,551,454	101,962	3,880,800	466,097	710,951	171,483	79.8	3,097,171	1,573,766	783,629	783,629
Nashville, Chattanooga & St. Louis.....April	1,116	902,081	80,343	1,104,199	20,918	17,087	56,763	40.5	99,523	56,763	116,104	52,412
Nevada Northern.....April	1,116	3,510,221	407,152	4,427,009	525,576	759,287	270,681	83.0	3,657,131	1,881,673	443,319	325,075
New York Central.....April	1,180	62,367,036	19,308,703	93,005,704	9,814,660	19,689,081	2,168,365	84.6	78,670,704	41,836,993	2,621,684	1,716,403
Pittsburgh & Lake Erie.....April	233	847,373	42,450	930,479	98,621	349,376	27,479	105.7	983,734	428,989	151,648	16,849
New York, Chicago & St. Louis.....April	1,704	3,348,007	181,644	3,707,552	373,914	1,424,823	112,761	108.0	4,002,202	1,765,755	724,577	7,004
New York, New Haven & Hartford.....April	2,024	11,963,474	8,452,972	22,969,076	2,880,894	4,372,876	404,096	84.4	19,396,226	10,244,650	3,572,850	1,512,965
New York Connecting.....April	21	167,616	.....	178,836	11,453	8,663	.....	28.4	50,765	29,327	128,071	60,062
New York, Ontario & Western.....April	576	380,324	7,253	428,440	67,079	129,499	14,178	110.5	473,631	240,906	97,638	133,939
Norfolk & Western.....April	2,200	4,314,783	157,081	4,471,864	2,818,657	1,231,626	50,504	100.0	1,967,804	1,059,632	213,840	328,783
Norfolk Southern.....April	809	337,152	4,725	357,939	64,484	52,141	24,175	71.3	1,499,644	6,263,679	816,952	960,280
Northern Pacific.....April	6,721	13,030,185	1,118,060	15,698,105	1,988,311	3,921,716	679,280	95.	14,905,269	7,211,111	1,501,638	2,239,235
Northwestern Pacific.....April	332	147,815	48,520	218,636	84,634	46,287	4,594	156.9	343,149	195,226	142,955	154,658
Oklahoma City-Ada-Atoka.....April	132	30,803	458	33,133	311,669	192,727	16,552	168.6	1,201,077	630,874	562,681	603,000
Pennsylvania.....April	10,306	19,383,323	5,508,474	27,919,068	2,783,312	5,048,101	632,194	73.7	20,583,959	10,836,328	4,067,235	3,246,169
Long Island.....April	394	1,888,377	4,623,960	6,828,015	665,360	1,242,833	25,622	79.5	5,869,990	3,815,081	107,134	43,405
Pennsylvania-Reading Seashore Lines.....April	412	213,544	131,360	364,976	75,641	38,086	8,424	129.5	472,517	289,015	185,152	246,785
Pere Marquette.....April	2,115	1,755,543	55,260	1,924,851	308,148	393,550	64,425	87.5	1,684,309	818,764	88,841	27,908
Pittsburgh & Shawmut.....April	100	34,518	.....	34,799	4,095	14,708	1,704	111.8	38,930	13,293	5,715	6,005
Pittsburgh & West Virginia.....April	136	205,837	947	222,473	33,616	71,926	6,626	116.3	196,936	64,895	34,292	29,074
Pittsburgh, Shawmut & Northern.....April	190	60,652	.....	61,184	13,848	11,559	991	81.7	72,701	23,768	110,137	170,247
Reading.....April	1,452	3,913,361	263,562	4,176,923	50,757	31,900	4,494	84.2	244,856	113,579	25,349	10,439
Richmond, Fredericksburg & Potomac.....April	118	383,340	225,195	730,359	70,506	134,875	9,523	78.4	572,288	305,260	107,461	38,649
	118	1,432,383	1,049,085	2,923,083	264,074	549,276	39,197	79.1	2,313,145	1,251,060	400,286	162,488

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2	40451	OATS "	25
3	56689	XB HOLD	30
4	230	WTHA 56	26 (INFLAM)
5	80210	COAL 23	10
6	43	CASO 103	26 (INFLAM)
7	20028	DBLS A183	24 (WEIGH)
8	41406	XB CO	25



TELETYPE

REG. U. S. PAT. OFF.
SUBSIDIARY OF

Western Electric Company

REVENUES AND EXPENSES OF RAILWAYS

MONTH OF APRIL AND FOUR MONTHS OF CALENDAR YEAR 1938—CONTINUED

Name of road	Av. mileage operated during period	Operating revenues				Maintenance of way and structures			Operating expenses			Operating ratio	Net from railway operation	Net railway operating income	
		Freight	Passenger	(inc. misc.)	Total	Way and structures	Traffic	Total	Trans- portation	Total	Operating ratio			1938	1937
Rutland	407	\$167,682	\$24,115	\$244,983	\$35,431	\$61,356	\$10,749	\$267,962	\$144,879	\$267,962	109.4	—	\$22,979	\$52,386	\$20,705
St. Louis-San Francisco	407	581,882	116,052	909,809	142,381	253,418	142,381	1,083,015	173,206	1,083,015	119.0	—	173,206	289,926	291,579
St. Louis-San Francisco	4,885	2,635,650	251,470	3,194,057	565,612	785,756	114,725	3,019,773	1,377,843	3,019,773	94.5	—	174,284	15,831	290,018
St. Louis-San Francisco	4,885	10,908,333	1,039,706	13,166,968	2,241,558	3,335,998	458,438	12,524,041	5,734,155	12,524,041	95.1	—	642,927	586,101	1,446,275
St. Louis, San Francisco & Texas	266	127,059	444	133,634	24,058	13,217	8,092	106,364	54,596	106,364	79.6	—	27,270	20,266	—25,594
St. Louis Southwestern Lines	1,706	454,680	2,098	97,738	56,728	97,738	80,982	434,705	222,880	434,705	91.0	—	43,333	11,046	—149,701
St. Louis Southwestern Lines	1,706	1,517,212	22,787	1,282,398	222,769	186,535	80,982	511,325	222,880	511,325	84.0	—	205,509	97,601	—12,527
St. Louis Southwestern Lines	1,706	5,459,620	87,510	5,793,857	825,803	807,057	326,199	4,486,433	2,231,472	4,486,433	77.4	—	1,307,434	873,398	696,046
Seaboard Air Line	4,318	2,965,917	479,811	3,829,633	496,517	690,976	166,275	2,975,368	1,417,862	2,975,368	77.7	—	854,265	539,265	569,162
Southern Railway	6,611	11,082,486	2,446,425	15,043,504	1,826,470	2,802,261	708,008	5,715,161	2,613,928	5,715,161	79.3	—	1,187,381	1,780,452	2,517,820
Southern Railway	6,611	5,741,965	705,460	7,081,822	903,904	1,288,626	150,049	2,613,928	2,613,928	2,613,928	74.3	—	1,820,246	1,187,381	1,568,508
Southern Railway	6,611	22,687,914	2,887,970	27,958,541	3,654,041	5,224,112	626,241	21,794,843	11,012,778	21,794,843	78.0	—	6,163,698	3,601,222	6,975,878
Alabama Great Southern	315	440,955	44,126	523,591	85,005	126,160	10,996	419,757	174,786	419,757	80.2	—	103,834	65,085	87,892
Cincinnati, New Orleans & Texas Pacific	337	1,631,135	178,981	1,966,840	335,512	514,761	48,438	1,682,708	691,023	1,682,708	85.6	—	284,132	100,091	278,363
Cincinnati, New Orleans & Texas Pacific	337	1,036,954	90,255	1,205,655	171,412	254,079	28,671	836,376	356,794	836,376	69.4	—	253,177	274,851	474,637
Cincinnati, New Orleans & Texas Pacific	337	3,905,519	490,218	4,707,567	683,486	1,063,687	111,348	3,404,938	1,321,207	3,404,938	72.3	—	1,302,629	856,253	1,009,449
Georgia Southern & Florida	398	90,490	46,509	156,880	32,050	30,393	1,889	153,658	80,994	153,658	97.9	—	3,222	—13,942	—19,278
New Orleans & Northeastern	204	392,702	261,178	743,423	131,780	135,465	7,235	648,478	334,787	648,478	87.2	—	94,945	25,658	156,652
New Orleans & Northeastern	204	2,683,405	19,006	2,623,811	37,559	35,450	6,036	169,210	77,782	169,210	64.5	—	93,171	63,340	34,048
New Orleans & Northeastern	204	827,899	68,755	961,288	140,940	151,490	24,801	701,733	334,209	701,733	73.0	—	259,555	138,153	36,988
Northern Alabama	100	45,199	1,024	47,952	6,856	1,302	1,140	33,189	21,647	33,189	69.2	—	14,763	9,005	8,467
Southern Pacific	8,707	8,697,715	1,581,005	11,346,381	1,509,755	2,384,568	369,681	9,920,493	4,867,090	9,920,493	87.4	—	1,426,488	253,939	1,007,433
Southern Pacific	8,720	33,378,250	6,604,355	43,110,718	5,791,915	8,629,567	1,394,011	38,753,860	19,800,393	38,753,860	87.9	—	5,354,858	666,743	6,171,359
Southern Pacific Steamship Lines .....	....	479,878	22,829	527,832	10,823	103,095	16,960	368,602	168,602	515,784	97.7	—	12,048	—2,576	—2,814
Texas & New Orleans	4,416	1,788,424	82,318	2,065,536	59,417	414,220	69,436	2,241,643	1,629,226	2,241,643	108.5	—	239,613	—239,613	—240,401
Texas & New Orleans	4,420	2,683,405	259,950	3,220,034	517,284	613,531	125,686	2,680,634	1,210,956	2,680,634	83.2	—	539,400	232,690	245,971
Texas & New Orleans	4,420	11,396,619	1,079,288	13,610,517	2,089,815	2,627,903	492,134	11,448,790	5,060,785	11,448,790	81.9	—	2,461,727	1,217,869	2,236,030
Spokane, Portland & Seattle	947	476,747	34,435	556,121	128,929	95,737	9,772	495,676	235,549	495,676	89.1	—	60,445	—15,607	—55,945
Tennessee Central	287	2,091,562	134,243	2,398,556	389,497	346,568	38,522	1,858,711	971,161	1,858,711	77.5	—	539,843	257,274	496,324
Tennessee Central	287	1,546,696	3,954	1,688,905	27,504	27,504	5,980	1,351,515	1,351,515	1,351,515	80.2	—	33,390	21,483	10,771
Tennessee Central	287	667,345	14,930	721,251	122,121	112,192	24,125	575,132	275,928	575,132	79.7	—	146,119	97,846	32,385
Texas & Pacific	1,937	1,591,445	206,222	1,978,804	226,611	358,865	74,625	1,475,244	692,645	1,475,244	74.6	—	503,560	359,639	550,887
Texas & Pacific	1,937	6,758,277	810,013	8,276,550	866,532	1,422,792	295,491	5,992,318	2,922,529	5,992,318	72.4	—	2,284,232	1,683,934	1,131,837
Texas Mexican	162	87,134	366	100,409	11,376	13,880	3,177	73,617	38,911	73,617	73.3	—	26,792	42,693	27,336
Texas Mexican	162	334,677	2,260	387,330	61,541	64,822	13,475	323,044	158,037	323,044	83.4	—	64,286	58,748	96,648
Toledo, Peoria & Western	239	175,089	2	177,599	57,208	11,645	15,674	138,967	44,213	138,967	78.2	—	38,632	23,936	10,717
Union Pacific System	9,912	8,139,601	1,210,566	10,363,249	1,099,304	2,122,410	341,436	3,777,697	8,008,655	3,777,697	77.3	—	2,354,594	1,102,231	177,545
Union Pacific System	9,912	32,296,935	4,514,849	40,645,178	3,532,690	7,812,737	1,315,379	30,762,539	15,413,154	30,762,539	75.7	—	9,882,639	4,934,282	3,572,141
Utah	111	34,868	.....	34,941	9,886	17,864	396	47,159	15,152	47,159	135.0	—	—12,218	—18,237	—10,541
Virginian	619	1,323,259	3,134	1,375,620	143,367	359,881	1,782	205,125	70,655	205,125	96.3	—	7,876	—38,367	—46,212
Virginian	619	5,792,498	12,151	6,027,963	590,074	1,433,693	90,483	3,251,000	1,027,774	3,251,000	53.9	—	2,776,963	2,006,963	3,080,758
Wabash	2,434	2,654,888	179,796	3,085,326	402,651	510,455	144,064	2,553,440	1,343,385	2,553,440	82.8	—	531,886	311,120	433,561
Wabash	2,434	10,649,857	755,372	12,327,313	1,552,079	2,300,779	592,218	10,729,981	5,676,447	10,729,981	87.0	—	1,597,332	706,157	2,148,213
Wabash	2,434	271,830	2,304	280,913	30,724	67,418	12,932	253,539	129,949	253,539	90.3	—	27,374	7,277	—27,974
Wabash	2,434	1,052,321	10,280	1,090,950	102,053	256,251	51,684	992,452	534,292	992,452	91.0	—	98,498	19,471	14,674
Western Maryland	879	1,007,890	6,349	1,050,837	140,327	222,218	34,959	746,351	309,642	746,351	71.0	—	304,486	219,486	217,197
Western Maryland	879	4,443,745	23,510	4,443,745	488,612	1,015,972	151,431	1,318,014	1,318,014	1,318,014	70.9	—	1,293,014	943,014	993,568
Western Pacific	1,208	897,269	24,202	956,310	476,447	297,505	79,591	1,294,240	506,568	1,294,240	135.3	—	—337,930	—427,706	—473,134
Western Pacific	1,208	3,410,010	79,544	3,597,348	1,159,950	983,705	224,930	4,539,948	1,963,799	4,539,948	126.2	—	—942,600	—1,308,641	—1,549,616
Wheeling & Lake Erie	513	680,417	1,755	710,905	75,441	180,818	32,853	601,107	284,719	601,107	84.6	—	109,798	23,801	63,504
Wheeling & Lake Erie	513	2,773,237	7,164	2,893,278	291,477	721,813	132,052	2,429,128	1,177,531	2,429,128	84.0	—	464,150	109,860	274,146
Wheeling & Lake Erie	513	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	—	1,627,356	.....	.....